Taxes and Earnings For 1942 (pages 11, 12)

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Buy Victory Bonds

Largest Circulation of All Canadian Financial Papers

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The Nation's Business

Profit is Honorable; Let's Recognize It

Hon. C. D. Howe recently gave the House of Commons some information about profit on war contracts that should show M.P's and Canadians generally much about the real nature of profit.

"One is amazed," Mr. Howe said, "when he sees how costs can be brought down by organization, efficiency and repetition."

That is the key to profits everywhere and in all kinds of business, and Mr. Howe made it very plain. As the experience of war contractors increases as their operations gain in "organization, efficiency and repetition" their profits increase. Constantly, the Minister pointed out, this makes it possible to rewrite contracts, reducing cost to the Government, keeping profits on a reasonable scale. He added: "It is quite usual for a contractor to tell us that his profits are too large under a contract and to make a voluntary refund."

Too many people have the completely erroneous idea that profit is something squeezed out of the public—that it comes from holding up prices and extracting more from the consumer.

The truth in modern society, of course, is precisely the reverse. Increased profit comes from increased efficiency which permits lower costs which permit wider distribution.

The motor car industry for example: Its profits have increased in measure as its efficiency and the quality of its product have increased and their sale price has been reduced.

The whole history of modern industry demonstrates unequivocally that the most profitable firms have been those which have paid the best wages, had the best skill and management, and gave the public the best value for its money.

Who pays for such profits; out of whose hide do they come? Certainly it isn't the taxpayer, or the consumer or the worker. Each of them is saving or making money out of this efficiency, this management skill.

Businessmen in recent years have talked too little about profit. Too often they have talked about profit as illicit or shameful. Profit is the indispensible fuel of the democratic system of individual enterprise. Let's recognize and honor it as such.

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FLIES IN THE BUSINESS OINTMENT

Recently two Alberta residents queried The Financial Post as to why a Toronto brokerage firm should be trying to sell them stock via long-distance telephone.

A war plant has recently complained about high pressure stock salesmen pestering workers in the factory.

Another firm has been using the old trick of telephoning, and then, whether the victim says "yes" or "no" to the stock offer, mailing out "confirmation of purchase" forms. The victim thus billed for money either pays up or argues his way out.

Recently there have been serious allegations in the United States that Canadian high pressure stock salesmen have been "fleecing" American investors.

Numerous recent instances show where sales presentations have contained positive misstatements of fact.

A good deal of recent stock promotion has taken place under terms of the "$10,000 syndicate" provision of Ontario legislation. Promotions of this type are completely outside the control of the Ontario Securities Commission.

It is high time that this miserable high pressure stock business be stopped. It is bad for Canada. A little bad business is bad for all good business.

For the protection of Canada's good name in the United States—more important now and in the years just ahead than ever before—and for the protection of all Canadians and especially that group now enjoying unaccustomed wealth, effective action should be taken to eliminate these operations.

Tackling it courageously now is minimum wisdom. The situation is not yet entirely out of hand. But, the same as with a forest fire, unless this situation is courageously faced now, the result can only be disastrous.

This is a national problem. If our present provincial security administrations continue to fumble this matter, Canadians can very properly demand that the Dominion authority take over to protect all Canadians and to protect Canada's business reputation.

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JOB FOR BUSINESS—NOT GOVERNMENT

Among those people planning for postwar Canada are some who want the government to run nearly everything just as government runs nearly everything in the totalitarian countries.

These planners are saying that government has to carry a very big part of the burden of providing postwar employment; that the only way a comprehensive social security scheme can be got into operation is through major government spending and works projects, etc.

This point of view ultimately, of course, can lead only to the end of the system of democracy and individual enterprise.

Despite that fact, some of the postwar planning now going on among believers in individual enterprise calls upon government to do this and that and the other, while the planners don't apparently assume responsibility for action themselves.

Thus, we have some groups which deplore wartime government controls and demand immediate lifting of these controls after the war, and which at the same time, seem to be depending on government to solve their postwar problems for them.

This is a dangerous lack of logic.

The thing that makes the individual enterprise system work is individual enterprise. Unless individuals are enterprising this system won't work and it will be replaced.

Instead, therefore, of starting off on postwar planning projects by calling on government to do this and give us that, let us say, "Here's what we will do to the best of our ability. To help us achieve that goal, government should do only this."

That is the constructive and very wise approach of the Committee for Economic Development, the postwar business planning movement in the United States sponsored by Studebaker's president, Paul Hoffman, and reported in past issues of The Financial Post.

How little government assistance can we get along with; not how much can we get, is the attitude that the C.E.D. expounds. To Washington, it says, in effect, "You create the climate favorable for the efficient working of the individual enterprise system; give us only the amount of control necessary to prevent abuses and practices which are the negation of that system. In taxing do not destroy the rewards of enterprise."

Postwar problems are a challenge for the worker to plan how he can contribute most to production and to society by his energy and his wise citizenship; for the manager, that, and how he can maintain or increase profits which will maintain or increase employment.

The main burden of postwar employment must be carried by individual enterprise. For that is the thing that creates and maintains jobs.

Provided individual businessmen are really enterprising, and provided postwar government confines its role to providing a climate favorable for enterprise, our present system will well do the job society asks of it.

Mutual Aid Opens Path To Ottawa

Foreign Governments to Apply Direct For Arms, Supplies, Under New Plan

By STAFF WRITER

OTTAWA.—Behind the unpretentious visit to Ottawa last week of Dr. T. V. Soong, Chinese Foreign Minister, lies the large and imminent problem of what sort of organization Canada is going to set up to administer her billion-dollar mutual aid program.

Dr. Soong's visit is symptomatic of Canada's new role in the United Nations' scheme of things. This country has now said she will give away her surplus war goods on the basis of strategic need. That means that for the first time we have opened a path direct to Ottawa along which may come any or all United Nations to discuss these matters with us at first hand.

Previously most of these negotiations were carried on through Washington or London.

Final Form Undecided

Although the final form is not yet decided, it now seems likely that the mutual aid program will clearly establish Canada's sovereign right to make her own decision as to how and where she shall distribute supplies. Actually this right will be more formal than real, since it is not expected (except perhaps in the case of certain foodstuffs or non-military supplies) that Canada will make decisions contrary to the wishes of the high strategy and assignment committees at Washington and London.

But Canada will receive directly the representations of such countries as China, Russia and, in all probability, of countries within the Commonwealth.

There will be established a separate Canadian Assignments Board which will, on paper at least, have the authority of the final word whether tanks or guns or ammunition will go to Russia or China or elsewhere.

Canada has on many occasions sought membership on the Munitions Assignments Board at Washington, which at present includes only Britain and United States members. Had Canada set up her mutual aid plan earlier in the war it is almost certain that she would have established without question her right to sit in as a full member of Board, some quarters say.

Unemployables In Winnipeg "Labor Pool"

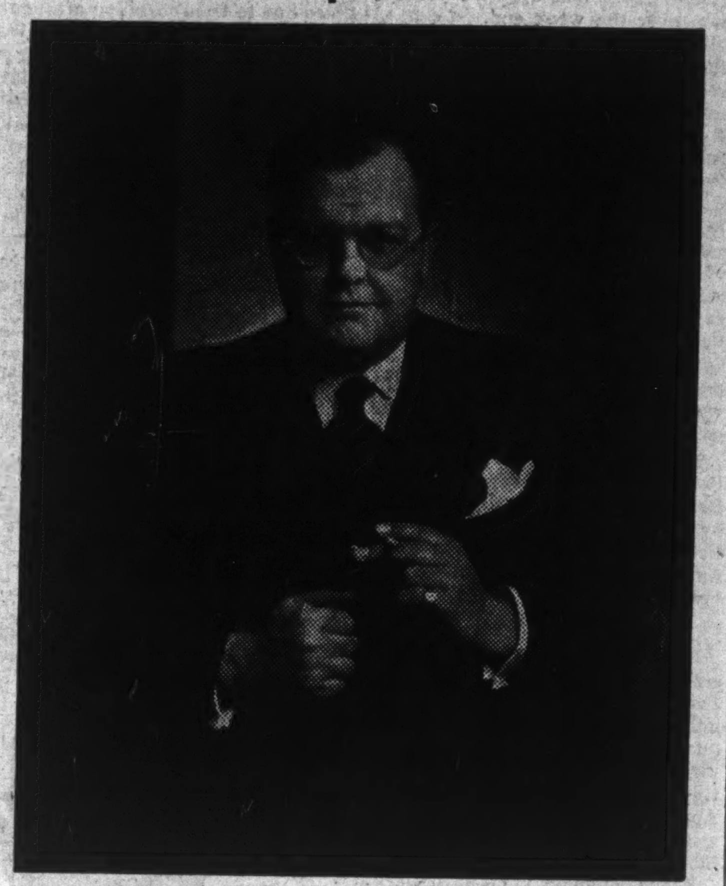
By STAFF WRITER

OTTAWA.—Officials here place little credence on the complaint that Winnipeg continues to harbor thousands of unemployed but employable persons.

It is not denied that there is a continual "pool" of nominally unemployed in Winnipeg, the current figure is said to be around 4,000. But continuous check and shifting is said to disclose that these are persons mostly very low on the employment list—most of whom are said to be incapable of doing a good day's work.

It is stated also that within the past six months, the agents of as many as 50 or 60 companies seeking manpower have gone to Winnipeg. Some companies keep "scouts" there almost continuously weeding out the so-called "unemployed" and sending now and then a few prospective employables back to their principles.

Canuck Represents Britain



—Photo for The Financial Post by Karsh.

Youthful, Canadian-born John C. Patteson represents at Ottawa the British Ministry of Supply. His peacetime job is European manager of the Canadian Pacific Railway Co. He has been on loan to the British Government since Nov., 1940, first as Controller-General of Transportation for the Ministry of Supply and later as Director-General of Supply Services. In Dec., 1942, he was seconded to Canada as representative of the Ministry at Ottawa to assist in channelling war production and raw materials between the two countries. He leaves shortly for England to "report progress."

Elson from Washington

"Lots of Work For Both"

By ROBERT T. ELSON
WASHINGTON

● Apprehension in Canada over possible withdrawal of American military, naval and shipping orders is premature and unwarranted, it is indicated here in both Canadian and American circles.

There is still enough work facing both countries to assure necessary employment of most facilities, but this does not mean that there will not be a difficult period ahead when extensive shifts in the war programme will be required in Canada.

One production man here regards it as the shift from working for capital account to working for maintenance. Against this background the first full-dress meeting of the Canadian-American joint war production committee was held here this week.

No official communique was issued after the meeting which appears to have been called to acquaint new members with each other rather than take far-reaching decisions. Since the body last met, Charles E. Wilson, the new power in the war production board, has taken over the American chairmanship.

To a large extent the full meetings of this board do little of the real work which is carried on by the technical subcommittees here. Military censorship intervenes to prevent discussion of the really substantial achievements in Canadian-American war collaboration.

There are indications that when Canada's mutual aid programme gets under way, Canadian factories will be handling the lend-lease orders to Britain and other countries on their own rather than through the U. S. lend-lease administration. Canada's production programme including "mutual aid" will permit the Dominion to take over a greater section of British supply and perhaps for other allies.

What is happening is that all the programmes are "smoothing out" with a more careful assignment of various tasks and less duplication.

● One thing is certain—there will be no falling off of the Canadian effort in shipbuilding, naval construction or aircraft. There will also

- **No Let-up in Canada's Shipbuilding Programme**
- **U.S. Production to Hold to Full 1943 Schedules**
- **John L. Lewis — Main Cloud on Domestic Horizon**
- **Washington May Send Davies Back to Moscow**

be less but still substantial demands for ordnance. At the same time indirect military requirements like textiles, steel rails, rolling stock, etc., will make greater demands on the war effort throughout 1944.

There are certain differences in the U. S. problem on the one hand and the Canadian and British picture. With the U. S. Army still in the making, American factories will be working on direct military orders to a greater extent and longer than Canadian and British factories which have largely fulfilled certain basic jobs.

Lieutenant-General Brehon B. Somervell dispelled illusions concerning the American situation. The plain-spoken chief of the U. S. Service of Supply said that full military schedules must be maintained through 1943, together with the rates of increase originally forecast.

He exploded completely reports of a U. S. military surplus which he said arose from the confusion between immediate requirements and future needs. Reductions in requirements for ground forces concerned the future. Canada and Great Britain are much further advanced, therefore are justified in anticipating the future to a greater extent than the factories here which are still producing "for capital account."

● But it is not production that occupies most minds in Washington these days but two serious crises—one on the home front the second on the diplomatic.

Outcome of the present test of strength between John L. Lewis and President Roosevelt on the coal mine issue will determine whether the wartime labor arbitration machinery here can continue to function. Lewis has done nothing less than repudiate the whole structure of the anti-inflation defenses by his defiance of the War Labor Board. All the other issues in this fight are insignificant.

Canada's own experience of the past few months shows how important it is to have a national labor policy. The President has been much criticized for coddling labor and his administration is admittedly pro-labor, but up to now he has managed to avoid divisions that could leave lasting scars on wartime unity. But the appeal to rea-

(Continued on page 2, col. 7)

Employers to Prepare Roster Of 'Non-essential' Workers

Start With 15 to 20 Industrial and Occupational Categories — Government to Compensate Those Transferred to Low-pay Jobs

By KENNETH R. WILSON

OTTAWA.—Individual employers in a named, selected list of "non-essential" industries will be made progressively responsible for checking their payroll for men of military age who may be subject to the new National Selective Service compulsory transfer regulations.

The lists of industries and occupations deemed non-essential for purposes of the new orders is now under review. It is expected to be proclaimed within a few days. This week the first 15 or 20 will be named.

Assuming the effective date of the first order is May 1, the employers will be given two weeks in which to report all single men under 41 in their employ. The next list will appear probably May 15 naming a further group of "non-essential" employers who in turn will be given two weeks in which to report employees of military age.

At the top of the first list are such categories as wine and liquor stores, retail candy shops, bowling alleys, barber shops, bell-hops, waiters, etc.

Required to Report

All persons reported by employers as being in age groups subject to military call and who are not in the forces will be required to report at the N.S.S. offices. Unless they secure special authorization to continue in their present work they may then be required to transfer to more essential employment.

This might be work in a job with higher priority rating, or work on a farm, a lumber camp, a coal mine or fishing. The minimum rate of pay which men so transferred will be required to accept will be the basic army pay of $1.30 a day. That is, if the job to which men are transferred (for example farm labor) would give a man less than army pay, the government will make up the difference. Allowance will also be given for transportation and in certain cases work clothing.

If persons subject to compulsory transfer refuse to accept their new employment they may (by law) be sent to alternate work (conscientious objector) camps at 50 cents a day.

Unmeasured Pool

No estimate can be obtained here as to how many men may possibly be affected by the proposed orders. It is reported that some 300,000 men have been turned down by the army, but how many of these are now in non-essential work, especially the categories likely to be named in the near future, is anyone's guess. Undoubtedly N.S.S. officials are counting on a considerable voluntary movement back to farms and other essential employment in advance of the bringing into force of compulsory transfer.

It is stated also that alongside this introduction of compulsory transfer N.S.S. officials will shortly start in at the "top of the heap" and comb war plants and other essential industrial establishments for any or all men that can be found who are of draft age. These plants will be required to show cause why all men in their employ are essential. In this way it is hoped to work "down" as well as "up" and eventually reach the centre of the manpower stream.

Small Arms Ammunition By Rubber Co.

By STAFF WRITER

OTTAWA.—Announcement that Dominion Rubber Co. is shortly bringing into operation a new small arms ammunition project has raised the question why a venture of this sort should be launched at a time when a number of established firms and industries are closing down or slowing up for lack of orders.

The situation, as reported here, is that this contract is entirely for U. K. requirements. It is to manufacture a type of small arms ammunition never previously made in this country.

The project was originally scheduled for the Dominion Arsenal at Quebec. A sharp increase in production made it impossible to handle in this way. Accordingly a building formerly occupied by an important peacetime concern (itself a war casualty) was rented and the project turned over to Dominion Rubber for supervision.

Most of the machinery has now been installed and it is expected that production will be under way within the next two months.

Although production of some other types of ammunition has been reduced, small arms ammunition output is still on the upgrade, The Post is informed.

Ottawa Hands Beer Issue To Provincial Officials

Takes Stand That Initiative for More But Weaker Brew Must Come From Provinces; Brewers Oppose Plan

By STAFF WRITER

OTTAWA.—While brewers raise angry protests against "lighter" beer it begins to look as if Ottawa, for the time being, has deftly passed the beer crisis back to the uncomfortable laps of provincial authorities.

The government position, it is now indicated, is that there is to be no relenting by way of higher quota but that if the provincial authorities are sufficiently agreed on some such proposal as a lighter strength of beer due consideration will be given to the representations.

Brewers Dislike Idea

Actually nothing is more distasteful to a good brewer's heart than the thought of watering down his product and eliminating the differentials and fine shadings of taste and quality that characterize individual brands.

Though the average proof spirits of the nation's beer is said to be around 8.5% the proportion varies from 7 to 13.5% in individual brands.

Presumably the majority if not all the brewers will now bring pressure on authorities to eschew the suggestion of lighter beer. If they are successful only in part, they may be able to create a sufficient lack of unanimity among provincial control authorities to warrant Ottawa deciding to do nothing.

If control authorities cannot agree to ask for lighter beer then Ottawa will presumably bide its time or wait until the situation gets sufficiently explosive that the provinces or the brewers (or both) decide it has to be lighter beer or nothing.

Gas Rationing Gets Teeth

New Rules Hit Illegal Buyers as Well as Sellers

By ARTHUR D. ELLWOOD

Machinery for enforcement of gasoline rationing and oil control has been overhauled and tightened, The Financial Post is told. There is now a more careful method of controlling delivery of gasoline to retail outlets, and steps have been taken to prevent circulation of gasoline coupons detached from their proper books.

When gasoline rationing by coupon started in Canada April 1, 1942, retailers started off with full tanks. They were permitted to order new supplies as required, turning in coupons collected from motorists twice a month.

Checking these coupons proved very troublesome and shortages developed in a great many retail stations.

No Coupons, No Gas

A retailer now has to turn over to the driver of the tank truck from his supplier the exact number of coupons, collected from his customers, needed to cover the gasoline he wants. If he has no coupons he gets no gasoline, in contrast to last year's methods where the check up, if made, was bound to come later, perhaps several weeks later.

There was no way under last year's regulations whereby the oil controller's office could make the dealer responsible for shortages. This time, however, there is no doubt as to the onus being on the dealer. A new oil order states—

"If at any time the graded gasoline on hand at any dealer outlet together with a quantity of graded gasoline corresponding to the coupons on hand at such dealer outlet at such time . . . is less than the reported storage capacity of such dealer outlet for graded gasoline as at April 1, 1943 . . . such shortage shall be prima facie evidence that the dealer operating such dealer outlet has . . . delivered graded gasoline otherwise than upon surrender to such dealer, by a consumer, of valid coupons."

Loose Coupons Bothersome

Loose coupons have always been bothersome. Part of this problem arose from the fact that some motorists were given too generous ration treatment when rationing started.

Later it became necessary to call in many of the higher category books and replace them with lower category ones. But it has been the experience of officials that a large number of motorists, called upon to turn in their high category books, tore out a few sheets of coupons and became the possessors of loose coupons. The unlimited gasoline ration given to trucks was another fruitful source of loose coupons. Thefts of ration books was another source.

As the regulations worked out last year, there was no difficulty getting at the dealer who accepted such coupons. In a few cases Section 15 of the Wartime Industries Control Board Regulations was used on the assumption that accepting loose coupons was hindering the work of the controller. The biggest difficulty arose in controlling the person who possessed loose coupons which had not yet been tendered to a dealer.

This year it is made a specific

(Continued on page 2, col. 4)

Enforcing gasoline rationing proved troublesome in 1942 but hopes are held that a different story will be told this year. Control over distribution, from distributor to retailer, is now stricter. Possession of loose coupons or unauthorized ration books is an offence, and sources of supply of loose coupons have been run down.

Your Victory Loan Dollar

Making Dollars Fight

Slogan for the Fourth Victory Loan, "Back the Attack," is given topical interest by information just made available on some of the backing that was necessary for the memorable Eighth Army drive that cleared the Axis out of Egypt and Libya.

The Eighth Army trained and fought at the end of the longest supply line of any Allied fighting force anywhere in the world—a 12,000-mile line stretching from Britain around the Cape of Good Hope to Egypt. Along that long, tenuous line of communications plodded thousands of tons of shipping. Canada helps to make such ships, at a cost of $1¾ million for each 10,000-ton vessel.

To serve the Middle East there are 120,000 lorries, 720,000 motor wheels which need 2,000 new tires daily.

An army division needs 400 tons of stores daily for ordinary requirements. In the Middle East campaign this figure was raised to 520 tons because of the need of bringing up water. Most of the Eighth Army's water came from the Nile along a pipeline to Tobruk. From El Agheila to the hills south of Tripoli, water is entirely lacking.

For several days before the attack began on Oct. 23, some 4,000 tons of stores were being delivered daily to areas behind the line. In the line itself the fighting troops consumed 2,400 tons of all stores daily. During artillery preparations for attack, field guns alone fired 1,000 tons of shells in an hour. Canada makes the 25-pounders which backed the Eighth Army's attack; each gun costs $30,000 and each shell it fires $13.

During one week of the advance over five million gallons of gasoline and more than 8,000 tons of ammunition were delivered to the front.

This historic battle meant expending hundreds of motor vehicles, such as Canadian-made universal carriers which cost $3,000 each and armored cars which cost $12,000.

During the first month of the Eighth Army's advance no fewer than 1,000 tanks were dragged out of the battle, repaired and sent back to the fight. Canada's hard-hitting Ram tank costs $30,000.

These figures serve to give a general impression of the tremendous amount of expensive equipment that is necessary for a full-scale drive against a determined enemy. They illustrate the first and most important place of Victory Loan dollars—to supply the equipment that backs the attack.

MEN'S SHOP
FINE APPAREL FOR MEN

For Men Who Believe In Quality

Men's Shop clothes have a very definite appeal for men who are quality-conscious. The good qualities of the fabrics and the smartness of fit evident in Men's Shop suits are factors which represent true economy — for it is in the quality of the materials and the strict attention to tailoring and fitting that we find the clue to longer life where clothes are concerned. Come in and look over our new Spring stocks. Included in our range we have a wide selection of fine clothes from Society Brand of Canada, a house renowned for excellence of tailoring.

The Men's Shop
Civil and Military Outfitters
Cor. Bay and College Sts.

EATON'S - COLLEGE STREET

Pay Boost Shakes Ceiling

N. W. L. B. Opinion Has Important Implications

Wage ceiling repercussions are seen as a possible result of the National War Labor Board's favorable opinion on granting increased pay to off-shift workers at the Ford Motor Co. of Canada plant. This development, of nation-wide importance, was somewhat obscured by the strike which tied up Ford production over the week end.

The N. W. L. B. opinion was that the Ford workers concerned should receive a premium of five cents an hour for the time worked between 7 p.m. and 7 a.m. The question had been referred to Ottawa by the Ontario Regional War Labor Board and will still need the approval of the Regional Board before the increase can be put into effect. However, in view of the N. W. L. B. opinion there is not felt to be much doubt that the new arrangements will go through. Reference to N. W. L. B. was made because the Regional Board felt that granting an increase to off-shift workers involved the wage ceiling policy.

There are several similar applications before the same Regional Board which will logically be guided by the Ford precedent. It is also anticipated that the move will bring further applications from other war industries.

Considerable Money Involved

In aggregate, the situation represents an important amount of money. For the Ford plant alone, the move will affect around 3,500 workers. At an additional five cents an hour for the 12 hours this would mean an extra $600,000 on the annual payroll. Application of the principle to other war plants will boost payrolls by millions annually.

Bonus payments to off-shift workers is not a new departure for Canadian industry, but its application in peacetime was comparatively limited and usually applied only to workers who were on the night shift regularly.

Ford works three shifts, 12 to 8 a.m., 8 a.m. to 4 p.m. and 4 p.m. to midnight. The shifts rotate monthly so that each employee works on three shifts in sequence once in each three months.

Stagger Hours

In actual practice the shift times are affected by staggering starting times due to transportation arrangements. In this connection the N. W. L. B. opinion notes:

"It has been argued before us that the payment of the differential for afternoon, evening and night work is merited on the ground that work at these hours imposes upon the employee a comparative hardship for which he should be compensated. It is said that the physical strain of night work is even greater where the shifts rotate than in the case of the worker who is permanently employed on night operations for the reason that the person concerned has no opportunity to adjust himself to a definite routine with consequent additions to the normal cost of living.

"There is also put forward the feature that the men working on rotating shifts have difficulty in obtaining and retaining places of residence because of their irregular hours of work and the consequent disturbance which this brings about in the routine of the homes where they find their living quarters.

"For all these reasons, the company (Ford Motor Co.) is experiencing a growing disinclination on the part of the employees to become engaged on night shifts. It is contended both by the company and by the union that the payment of the proposed premium would overcome this difficulty since it would offer a measure of compensation for the added comparative disadvantages to the worker on night employment."

View of N. W. L. B. is that approval of proposals for payment of night work premium is warranted chiefly by reason of the necessity of maintaining the highest possible production of munitions and supplies for war purposes. It is indicated that industries engaged in other than war production might have a more difficult case to make out.

Simpson Heads Rubber Group

James I. Simpson, president and general manager of Dunlop Tire & Rubber Goods Co., has been elected president of the Rubber Association, comprising the various rubber companies of Canada, all of which are devoting their major efforts to war production. Mr. Simpson is also chairman of the rubber advisory committee to the rubber controller.

JAS. I. SIMPSON

W. K. Whiteford Heads B. A. Oil

A. L. Ellsworth Becomes Board Chairman — New Refinery to Start in June

Increased dollar volume of sales is expected by British American Oil Co. when its new Clarkson refinery starts operating in June this year, W. K. Whiteford, president, told shareholders at the recent annual meeting. Sales in 1942 to civilian consumers were curtailed due to measures taken to conserve oil resources for vital needs. This was partly offset by higher sales to the armed services, to industrial users and to contractors.

Mr. Whiteford, who has been executive vice-president of the company and president of its United States subsidiaries, was elected president to succeed A. L. Ellsworth. Mr. Ellsworth becomes chairman of the board of directors. Directors were re-elected.

Maintains Crude Reserves

In the United States, B. A. Oil has been able to maintain its daily average of crude oil production and, through recent discoveries in Wyoming, to add to its reserves.

Mr. Whiteford considers this accomplishment important as, he says, the industry as a whole has failed to find as much new oil as has been consumed over the last three years. Number of dry holes drilled by the industry, as well as by B. A. Oil, increased due to pressure brought to bear to increase wildcatting operations in unproven areas and by wide spacing of wells to save materials and labor. The company, however, had been able to keep its average of dry wells below that of the industry as a whole.

This year more wells will be drilled and B. A. Oil Producing Co. has a number of new test areas to be drilled as well as proven areas to be developed through further drilling.

Toronto Pipeline Co., purchasing and transportation subsidiary in the United States, has become a particularly valuable asset in this period of crude oil transportation and supply shortages. This subsidiary is responsible for purchasing crude oil needed by the parent company and careful selection of crude to produce aviation gasoline has become a matter of growing importance.

Imports More Oil

Last year B. A. Oil had to increase its import of crude oil from the United States for its Moosejaw refinery to 600,000 bbls. and this year it will have to import more than a million bbls.

In 1942, B. A. Oil paid $8.4 millions to transport oil and refined products, an increase of $414,000 over 1941 with well over half of the total going to the railroads. The company is using 678 tank cars in 1942 compared with 586 in 1941. Its five lake tankers were used at capacity during the year and ocean tankers when available. More than $1 million was paid in U. S. exchange premium last year.

Last year the company paid $6.6 millions in taxes to all governments in Canada, equivalent to $2.37 a share on its common stock, compared with $2.20 a share for 1941. In addition it collected $11.9 millions in gasoline taxes.

SAVE and SACRIFICE to Buy Your Full Share in the FOURTH VICTORY LOAN

If you are without the ready cash to buy Victory Bonds, we shall be glad to arrange purchase for you through our time loan plan. Victory Bonds should be kept safe: For 10¢ per $100 per year, minimum charge 25¢, we will place your bonds in our vaults for safekeeping.

BANK OF MONTREAL
"A BANK WHERE SMALL ACCOUNTS ARE WELCOME"

List Big Subscriptions For Victory Loan

Following is the first list of major subscriptions to the Fourth Victory Loan as released by national headquarters of the National War Finance Committee. The Financial Post will publish further similar tabulations as they are officially released throughout the loan period. The list includes subscriptions of $500,000 and over.

Cons. Min. & Smelt.	$7,500,000	Royal Trust Co.	1,000,000
Ford Motor Co. of Can.	6,000,000	Robin Hood Flour Mills	850,000
Imperial Life	6,000,000	Anaconda Amer. Brass	750,000
General Motors	4,000,000	Credit Foncier Franco Can.	750,000
Bell Telephone Co.	3,000,000	General Steel Wares	750,000
Brit. Col. Electric Rly.	3,000,000	Woodward Stores Ltd.	750,000
Int. Harvester	2,500,000	West Kootenay Power	650,000
Montreal Light, H. P.	2,500,000	United Grain Growers & subs.	600,000
Can. Kodak Co.	1,250,000	Work. Comp. Bd. N.B.	600,000
National Breweries Ltd.	1,250,000	Can. Bro. Rail Trainmen	525,000
Guaranty Trust	1,000,000	Caisse d'Economie de N.D.	500,000
City of London (sinking fund)	1,000,000		
Prov. New Brunswick	1,000,000		

B. A. OIL APPOINTMENTS —

A. L. Ellsworth (left) has been elevated to the position of chairman of the board of British American Oil Co. He was formerly president of the company but resigned from that office owing to ill health. W. K. Whiteford has succeeded Mr. Ellsworth to the presidency. Mr. Whiteford was formerly executive vice-president of B. A. Oil and president of the company's American subsidiaries, British American Oil Producing Co. and the Toronto Pipe Line Co.

Correspondence

Our Airways to be a Monopoly?

Ottawa Policy Seen Unrealistic for Postwar

Apparent determination of the Dominion Government to favor the development of Trans-Canada Air Lines in future air navigation at the expense of Canadian Pacific Air Lines is roundly criticized by W. T. Jackman, Professor of Transportation at the University of Toronto. Such a policy, says Mr. Jackman, is inconsistent with the facts and does not fairly recognize the pioneering work done by Canadian Pacific and its component lines.

Editor, The Financial Post:

When Canada's Prime Minister recently made known his government's future policy concerning domestic and international aviation, it became apparent that privately-owned lines were to be permitted to take most of the risks in postwar development of commercial flying, with little or no assurance that they would be permitted to enjoy the benefits of continued ownership.

In his speech in the House of Commons on April 2, the Prime Minister said that the Trans-Canada Air Lines would continue to be "the instrument of the government in maintaining all transcontinental air transport services and in operating services across international boundary lines and outside Canada." But, he also said, "The development of supplementary routes will continue to be left to private enterprise, unless considerations of public interest indicate that certain of these routes should be designated by the government as routes to be operated by T.C.A."

This virtually means that the privately-owned lines will be allowed to continue their work of development until the results are so important that the government thinks it desirable to take them over and link them with the T.C.A. Such a policy would offer little encouragement to private enterprise and would discourage investment from abroad.

"Erroneous Foundation"

Everyone will agree with Mr. King when he says that the people of this country should benefit fully from the great developments in aviation which are now in progress, and that after the war we should use airplane service to supplement transportation by land and water. But when he says that "the future of international air transport will be determined in large measure by negotiations between the governments of the United Nations," he is basing his statement upon a wholly erroneous foundation.

International transport whether by air, water or land, is based upon trade relations; and, on the basis of the Atlantic Charter, when the postwar peace is signed there is to be no difference shown between the peoples of the world. For the Canadian government, therefore, to determine its course by "negotiations between the governments of the United Nations" would be distinctly contrary to the spirit of the Atlantic Charter.

There is inconsistency in Mr. King's statement. He says: "Trans-Canada Air Lines will continue to be the instrument of the government in maintaining all transcontinental air transport services and in operating services across international boundary lines and outside Canada."

Statements Inconsistent

But in the same paragraph he closes with the words, "The operations of T.C.A. will continue to be limited to important services of a main line character, where the volume of passenger and mail traffic would justify it." The writer is at a loss to understand how the Prime Minister can harmonize two such inconsistent statements. If the T.C.A. is to be limited to main line service, then it cannot be engaged in "operating services across international boundary lines and outside Canada."

Evidently the present government is very anxious to preserve and encourage its own T.C.A. As the Prime Minister says: "T.C.A. has by its charter the right to operate international air transport services and has already been designated as the instrument of the Canadian government in air transport service across the North Atlantic, and in Canadian services to the United States." But, although the T.C.A. is owned by the government, it was the Canadian Pacific Air Lines which initiated the Atlantic Ferry Bomber Service and continued it until this work was taken over by the R.A.F. Bomber Command.

Which Has Done Most?

It might be asked which of these two Canadian air lines has been the more effective in the development of the country. The T.C.A. operates along the southern border of the country where it receives the traffic from the large cities located on the lines of the Canadian Pacific and Canadian National Railways. In other words, it takes what traffic is available but has not developed additional sources. But the Canadian Pacific Air Lines, composed of a number of integrated small companies, has been persistently engaged in the development of new territory, especially in the north and northwest, making possible the opening of new sources of oil, gold, tungsten, silver, radium, etc. It forms a connecting link between the Yukon and Alaska and the two railway systems in the southern part of the western provinces. The Canadian Pacific air system has been a constructive force, not only in promoting the advancement of the richly endowed sections of northern and western Canada, but in contributing greatly to the upbuilding of industry and the furtherance of agriculture in the Province of Quebec, in Newfoundland and Labrador.

It is the writer's opinion that the T.C.A. is a political organization—as Mr. King has said it is—while the Canadian Pacific Air Lines are engaged in the economic advancement of the country.

International Air Traffic

Now let us look at certain phases connected with international air traffic. If, as Mr. King says, "services across international boundary lines and outside Canada" are to be under T.C.A. operation, what shall we do with mail coming from the United States for delivery at destinations in Canada which are not served by the main line T.C.A.? Shall we demand that the United States air lines leave the mail at the border and have it carried to its destination by whatever facilities are available? This would be absurd.

Again, in the movement of traffic from one country to another, the traffic manager of a firm arranges for a through rate on his shipment before it is delivered to the railway or steamship. In this way he gets the lowest rate, and he knows the carriers that will be concerned with his shipment until it reaches the consignee. The cars which are loaded in Canada or the United States then go through to their destination in the other country. Shall express or light freight shipped from one country by airplane be forced to change to another plane at the boundary?

We may be assured that similar conditions would prevail in the export or import traffic movement across the ocean. To require all shipments which are to cross the ocean by air carrier to use none other than the T.C.A. for overland connection would not be at all in harmony with the economic practice of traffic management.

Against Competition

At the time the Canadian National Railway system was constituted there was strong argument in favor of amalgamation with the Canadian Pacific. But the Ottawa government insisted that there should be two railway systems, for the purpose (ostensibly) of providing competition. Ever since, successive governments have favored the continuation of this competition. Is it not strange that the Ottawa authority, through the Prime Minister, should reverse its attitude concerning the importance of competition when the T.C.A. is concerned, and should want all the air service (except supplementary routes) under the control of the T.C.A., without the possibility of competition? The Prime Minister says: "Competition between air services over the same route will not be permitted."

This brings us to another issue in connection with air service, namely, the freedom of the air. Land transportation, whether by railway, motor vehicle, or steamship on lakes and rivers, is subject to government control or regulation.

"Regulation Impossible"

But when we turn to the air, regulation is impossible. When Mr. King says, "The government sees no good reason for changing its policy that Trans-Canada Air Lines is the sole Canadian agency which may operate international air services," it is evident that his viewpoint is impractical. A United States plane, for example, might cross Quebec or the Maritime Provinces, proceed via Labrador and the Great Circle route to the British Isles, and the Trans-Canada Air Lines would have no power to control its movement.

The atmosphere is not something which can be kept as the exclusive possession of any one country. Can anyone imagine a British plane, with a load destined for Montreal, being compelled to hand it over at Halifax to a T.C.A. plane for forwarding?

Finally, let us refer to a statement by the British government that "some form of international collaboration will be essential if the air is to be developed in the interests of mankind as a whole, trade served, international understanding fostered and international security gained." This is the viewpoint of world interest, not the narrow-range view of a political Trans-Canada Air Lines.

W. T. JACKMAN.

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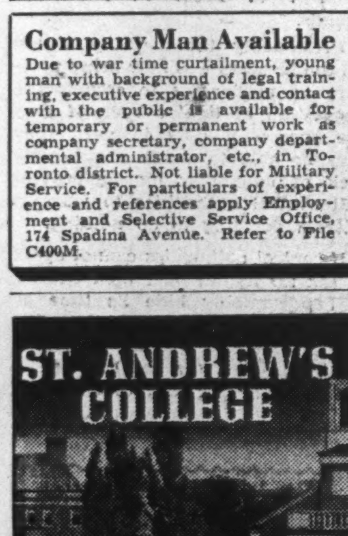

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Gas Rationing Gets Tough

(Continued from page 1)

offense to have possession of "any coupons not attached to and forming part of a gasoline license and ration coupon book." In the same way it has been made an offense for anyone to have "in his possession any gasoline license and ration coupon book other than a gasoline license and ration coupon book issued to him in respect of a motor vehicle owned or operated by him, except with the consent of the person to whom such gasoline license and ration coupon book has been issued."

The latter clause is intended to hit at the user of stolen ration books.

To cut off the supply of loose coupons at its source oil control authorities this year started with a basic AA category for everyone and then required that those needing additional supplies apply for it and prove need. Time was permitted for investigation first instead of afterward, as the motorist always had his AA book to use in the meantime. Trucks also are strictly rationed this year and are not permitted to get a new book every time they use up the old one.

Bootleg coupons circulating as a result of thefts are a major problem. In Toronto several thousand ration books have been stolen. Thefts have also occurred in other cities. A few of these books have already been rounded up and some convictions secured.

In Detroit the F.B.I. recently informed the oil control office and the R.C.M.P. of their discovery of complete plates to print gasoline ration books in the hands of a printer in that city. Ways have since been found to get this man into custody.

Co-operation between municipal, provincial police, the R.C.M.P. and the F.B.I. has been complete, The Post is told.

Recently certain bootleggers and bookmakers in Toronto have had their gasoline ration books recalled, authorities taking the stand that there is no gasoline to spare for such businesses.

The oil controller's office has arranged to have lawyers in most important centres ready to handle any cases that may arise. This system of having a large panel of legal help on call means that no delay is experienced whenever a case comes up.

The use of stickers on windshields has already proved its worth, it is said. If a motorist is habitually at a place where he would have difficulty getting on his basic AA ration, suspicion is aroused that he has been using for pleasure driving gasoline obtained for business purposes.

Co-operation of the oil industry itself has been an important factor in assuring the success of gasoline rationing. Industry representatives heve been uniformly on the side of enforcement of the regulations and without their help the strongest enforcement body in the world would be virtually helpless, officials say.

Elson From Washington

(Continued from page 1)

son that carried conviction in dealing with C.I.O. leader Philip Murray, and A.F. of L. chief, Green, does not work with Lewis.

No more difficult problem has been laid at the White House door than this problem of how to deal with the boss of the United Mine Workers

● The diplomatic problem is no less tough. It is no secret that Washington took a much graver view than did London of the break between the Polish government in exile and the U.S.S.R. One reason is that it will have repercussions on American public opinion particularly outside the big cities where there is still a good deal of suspicion of Moscow.

It is a bad blow to the cause of United Nations' unity and plays directly into Dr. Goebbels hands. There are indications that President Roosevelt will shortly send Joseph E. Davies, author of that best seller "Mission to Moscow," on a new American mission to Moscow. Davies alone of American ambassadors to the Russians seems to have gained their confidence.

If he does undertake this job, one of the first tasks will be to arrange for a three-way meeting between Stalin, Churchill and the President. Mr. Roosevelt is determined to bring this about because he feels that it would sweep away the last barriers. The Polish crisis underlines the urgency for such a meeting.

Air Conference Seen Likely

By STAFF WRITER

OTTAWA. — Clarification of Canada's domestic aviation policy is expected shortly—possibly by a conference of various interests.

A subcommittee of the special interdepartmental committee on civil aviation is now studying this whole matter. What may emerge is a recommendation that the interested parties get together with a view to a clearer definition of T.C.A.'s role in the domestic field.

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Dominion—							
Canada Deposit Certificates	Apr.	Chartered Banks	¾%	Oct. 19, '43	$80,000,000	100	.....

The War and Business

By BRUCE MacKINNON

Impossible

A few years ago it was believed that steel cartridge cases could not be substituted for brass because (a) the metal would not go through the shaping processes and retain the essential qualities of a cartridge case, (b) it would fuse to the breech blocks of the guns when fired. This week General Motor's Buick division got going on mass-produced steel cartridges for 75-millimetre shells.

The last bugs have been removed from the process in the last month or two, one of the big problems being to find a steel clean enough. The metal is a low-carbon steel, fairly cheap (about three cents a pound against about 18 cents for brass). So far there has been no switchover reported in Canada, but technical men regard it as sure to come, although quite possibly restricted to new types of shells. Output of existing types of shells is already very large, and it may not be regarded as worth while to switch. The new cases would not require any change in the breech mechanisms of the guns.

* * *

Vitamin Victory

Starting a tour of R.C.A.F. camps this month is the color film, "Training Table," which represents the third and, it is hoped, final phase of the Air Force campaign for proper eating. First stage was to make sure that foods with proper vitamins were bought, which meant revolutionizing the ration. Second stage was to see that the vitamins were not lost in cooking, achieved by stationing Women's Division dietitians with dictatorial powers in the R.C.A.F. messes. Now they are out to sell the idea to the men in the R.C.A.F., about 35% of whom had not been in the habit of drinking fruit juices and were not getting a balanced diet even when it had been made available.

"Training Table" translates nutrition into terms the boys understand—maintenance, repair and fuel for aircraft. To drive home the lesson it is followed up by a booklet repeating the dietary requirements, and the R.C.A.F. men are asked to forward the booklet to civilian relatives, also badly in need of dietetic progress. The booklet has been published under the auspices of the life insurance companies of Canada and the Canadian Medical Association, the movie is the work of Associated Screen News.

* * *

Helpers

One life company has been actively helping the R.C.A.F. in the research that is constantly being followed in nutrition. Employees of the Confederation Life last February joined in the study, had their eyes and teeth photographed with special equipment owned by the R.C.A.F. and settled down to a routine which included one multiple-vitamin pill a day. The pills carry more than six vitamins and should round out the day's diet to something pretty near perfection. Actual results won't be known until September, when the "controls" are re-examined and photographed, but some of the volunteer researchers already report improved sight and teeth.

Meanwhile, airmen are taking the same treatment and the two sets of results will provide a check on what proper nutrition will do for a group of grade A plus young men and for a group mixed as to age, sex and physical condition.

* * *

A. Hitler, M.D.

Adolf has proved a very beneficial influence on British health, according to the 1942 vital statistics. With 650,000 babies born last year, Britain's birth rate was the highest in a decade and infant mortality dropped back to the 1939 level of around 50 per 1,000 live births. Diabetic deaths dropped as diets became more and more restricted, and even tuberculosis, which had boomed with overcrowding, dropped back to about 1939 levels.

"Psychological" causes of death, suicides, ulcers from nervous strain, declined sharply, and air raid fatalities were one sixth of the 1941 level and only one seventh of the 1940 figure.

* * *

Comeback

Liquor bootlegging appears to be gradually getting organized and, according to one informant, it threatens to be on a more business-like scale than in the 1920's. The bootleggers are reportedly on the prowl for respectable outlets, are reported to have approached at least one well-connected non-drinker with an offer of $60 a week. His part of the bargain would be to accept liquor at his apartment, hand it over to approved customers for consumption elsewhere.

Prices of the bootleg liquor are widely divergent. The standard 25-ounce bottle of lower-priced rye is reported selling at $18 in Vancouver bootleg circles, $7.50 in Toronto, against about $3 for the legal product. On the Alaska highway the same sized bottle is said to have sold for $48.

* * *

Fly Famine

With the trout season opening May 1 and scarcely a dry fly to be found in Canada, anglers are up in arms over their inability to import a few from the United States or Britain. We are told that there is no factory making flies in Canada, that the sole supply comes now from independent workers who tie them in their spare time and in far too small quantities for the demand. The more militant anglers point out that we can still import other luxuries which cost more than the flies would (even at today's prices few flies sell for more than 15 cents apiece). So far Ottawa has turned a deaf ear.

* * *

Job for Cobalt

Research into the causes of "pining" in freshly weaned lambs, with consequent unsatisfactory development, has shown that it often springs from a lack of cobalt in the soil. One part of cobalt to about eight million parts of soil is sufficient and British shepherds have taken to sowing powdered cobalt in their pastures. For eight shillings' worth of cobalt one sheepraiser was able to get the second highest prices in his district from a flock that had produced among the lowest-priced sheep the year before.

* * *

Postwar Flivver

The new and versatile helicopters which are being developed in the United States are a favorite topic of conversation these days in R.C.A.F. messes. Pilots see them as the "pleasure cars" of the future, often amuse themselves by working out fanciful plans for postwar direction of helicopter traffic. They say such traffic would not present the difficulties it would seem to at first glance, even should helicopters become as numerous as cars.

For instance, westbound craft could be assigned altitude 1,000 to 2,000 feet; eastbound traffic altitude 2,500 to 3,500 feet; northbound traffic altitude 4,000 to 5,000 feet, and so forth. In other words the different levels would become one-way traffic lanes. Aerial traffic cops would direct things at landing points.

The helicopters are capable of literally standing still in the air and such is their design that those with engine trouble, or those which run out of gas, float gently to earth and land without even jolting the "driver" and passengers. At present they aren't much faster than fast automobiles, but their speed will probably be stepped up. They can be landed on a lawn—or a flat housetop.

* * *

Refugee Education

Netherlands refugees are still filtering out of Europe via France, Spain and Portugal. After nearly three years of wandering they are bringing with them children of five years and up who have never been at school. Eighteen of these youngsters arrived recently in Surinam, the Netherlands Information Bureau reports, and a special school had to be set up for them. The incident gives an inkling of the growing "deficit" in education that is accumulating in Europe, one of the least publicized and most difficult problems for postwar civilization.

* * *

Dollar Wheat

Return of $1 wheat to the Prairie Provinces may mean much or little, depending on how long the price stays up. Just now most of the benefit is said to be going to the Wheat Board. On this year's quota of 280 million bushels the 10-cent increase over the 90-cent guaranteed price would mean an additional $28 millions, which would pay the interest and principal on a lot of western farm mortgages, most of which originated in 1924-29 when wheat averaged about $1.50.

One very important factor in the situation is that the western farmer is not nearly so dependent for his welfare on wheat as he used to be. Here is a comparison of the percentage that wheat made up of the total cash income of the Prairie Provinces last year and in 1929:

	1942 %	1929 %
Manitoba	21.7	40.4
Saskatchewan	39.4	75.9
Alberta	24.2	64.9

In spite of the drop in wheat both Manitoba and Alberta last year reported cash income higher than the 1929 figure.

* * *

Delousing

Montreal's Better Business Bureau is rousing the citizenry against a new crop of wartime pests—the "repair louse," who calls to repair your radio, vacuum cleaner, etc., and either disappears with it, makes a low estimate on costs then holds it for ransom at a higher cost, or repairs it for a high price and then forces you to pay. . . . . . Other doorbell ringers are taking "down payments" on Nylon stockings and then disappearing. . . . . Another racket reported is the "stuffed flat," where a "weeping widow" induces you to buy her furniture, apparently at bargain prices. As soon as one lot of furniture is sold, the "widow," in reality a dealer, gets in another lot of "bargain" furniture.

POWER EXECUTIVE

C. N. Simpson, general manager of Gatineau Power Co., who has been elected vice-president and general manager of the company.

Predict 25% Decrease In Log Output of B. C.

Operators Blame Situation on Ottawa's Lack of Planning on Manpower Front — Claim Whole Labor Problem Mishandled

From Our Own Correspondent

VANCOUVER.—Log production, mainstay of British Columbia's all-important forest industries, may show a decline of more than 25% this year, and most of the reduction may be attributed to Ottawa's lack of planning on the manpower front, operators state.

West coast loggers and sawmill men declare that the forest labor problems has been mishandled since the first, that there has been a lack of long-term scheduling to meet demands and a lack of co-ordination between various government agencies concerned.

Logging camps in British Columbia are still short more than 3,000 men, with small prospect of the deficiency being filled for months.

To build up the logging crews, leaders of the industry state, it will be necessary to draw upon the armed services and the war industries. No other source of suitable labor is open except for raw hands.

More than two weeks ago Ottawa intimated that instructions were being sent to the commanding officers of military units in British Columbia, authorizing them to release ex-loggers from service on temporary leave to resume work in the forest industries.

Logging operators place little hope in this plan because it is purely voluntary on the part of commanding officer and the men.

Almost everything that could happen to cripple log production has been the lot of the forest industry during the last few months. Major handicap, of course, has been the scarcity of efficient labor. The winter, severest in 50 years, resulted in many camps being shut for months rather than the usual couple of weeks for mid-winter overhaul. Then came weeks of strong winds along the channels used by tugboats hauling the long log booms up and down the coast to the sawmills. This delayed delivery of raw material to the manufacturers.

Now another problem has begun to plague the logging camps—food rationing. Operators are asking that larger rations be allowed lumberjacks because analysis has shown that the scheduled meat rations for a week would last the average logger only about a day on the basis of past consumption. The same applies to butter.

The logger of the west coast is a heavy eater, particular about the "chow" he is served. The days when he was satisfied with beans and flapjacks vanished many years before the last war, when many logging camps competed for men by offering them better meals.

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CANADA'S NATIONAL FARM MAGAZINE

MONTREAL CANADA

First Quarter Insurance Sales $127 Millions

Life insurance sales in Canada and Newfoundland in March totalled $46.7 millions, with total sales for the three months amounting to $127.5 millions.

The figures are compiled by the Life Insurance Sales Research Bureau and released by the Canadian Life Insurance Officers' Association. They are based on the experience of 18 companies, representing 86% of the business in force, and are for new, settled-for, ordinary insurance, exclusive of increases, revivals, dividend additions, annuities, etc.

Among the different provinces, Ontario and Quebec together accounted for $32.6 millions or almost 70% of the total.

Figures by provinces for the month and three months follow.

Sales for March:	1943
British Columbia	$3,439,000
Alberta	2,376,000
Saskatchewan	1,638,000
Manitoba	2,456,000
Ontario	20,205,000
Quebec	12,390,000
New Brunswick	1,264,000
Nova Scotia	2,022,000
Prince Edward Island	225,000
Newfoundland	715,000
	46,730,000
Three Months:	
British Columbia	$9,068,000
Alberta	6,808,000
Saskatchewan	3,818,000
Manitoba	7,523,000
Ontario	55,888,000
Quebec	33,153,000
New Brunswick	3,576,000
Nova Scotia	5,210,000
Prince Edward Island	717,000
Newfoundland	1,809,000
	127,570,000

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Three Areas Out of Five Show Business Advance

Quebec, the Prairies and Ontario recorded advances in business activity in March compared with February, according to The Financial Post indexes. Ontario's gain was smaller than those of the other two areas.

Building permits and electric power production rose in all five Canadian areas in March. Employment held in Quebec but declined in the other four areas. Bank debits are up in four areas but down in Quebec.

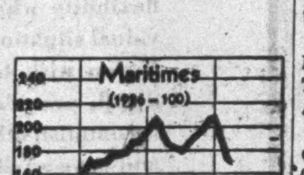
March figures show greater diversity of trend than has been the case in most recent months. Life insurance sales, for example, were greater in the Maritimes, Ontario and British Columbia but lower in Quebec and the Prairies. In Quebec, textiles and newsprint were more active, while meat-packing, largely centred in Ontario, expanded.

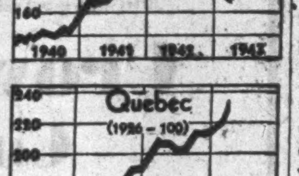
Compared with a year ago, the Prairies, British Columbia, Quebec and Ontario show continued expansion. The Ontario gain is fractional. The Maritimes show a relatively large decline in general activity compared with March, 1942, reflecting drops in building permits, bank debits, electric power and employment.

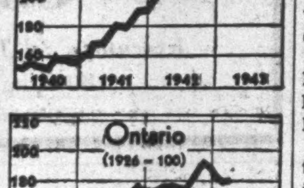
Trend of Business in Economic Areas

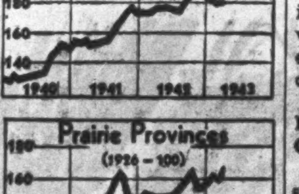
	March 1943	% Change March 1942	February 1943
Maritimes:			
Constr. contr. ..... $	1,074,000	+111.6	444,000
Bldg. permits ..... $	114,000	—43.0	24,000
Life ins. sales ... $000	3,511	+32.7	3,013
Bank debits, $000,000	102.0	—3.3	77.1
Elec. pwr. . kw.h.000	2,411	—9.7	1,994
Employment*	167.4	—8.4	180.0
Index	176.7	—8.6	178.8
Quebec:			
Constr. contr. ..... $	2,779,000	—67.6	2,112,000
Bldg. permits ..... $	880,000	—43.0	569,000
Life ins. sales ... $000	12,390	—26.8	10,310
Bank debits, $000,000	1,114	—1.8	771
Elec. pwr. . kw.h.000	60,179	+50.2	41,429
Employment*	198.7	+12.5	198.7
Newsprint prod., tons	246,855	—16.6	221,807
Cotton consump., lb.	18,186,405	+12.3	16,126,534
Index	235.9	+11.4	223.1
Ontario:			
Constr. contr. ..... $	4,700,000	—3.7	15,045,000
Bldg. permits ..... $	2,332,000	—31.3	1,135,000
Life ins. sales ... $000	20,205	+30.1	17,906
Bank debits, $000,000	1,959	—1.1	1,752
Elec. pwr. . kw.h.000	29,101	—10.9	29,093
Employment*	186.6	+7.7	187.4
Livestock slaughter*	213.0	—0.3	241.3
Steel prod. ..... tons	270,962	+1.9	245,588
Index	181.4	+1.3	181.2
Prairie Provinces:			
Constr. contr. ..... $	1,280,000	—19.9	759,000
Bldg. permits ..... $	1,004,000	+36.8	303,000
Life ins. sales ... $000	6,470	+28.6	5,842
Bank debits, $000,000	589	+11.3	486
Elec pwr .. kw.h.000	8,830	+47.8	6,241
Employment*	134.7	+6.2	140.7
Wheat receipts .. bl.	9,994,000	+14.1	9,512,000
Wheat prices**	97/1	+24.5	90/4
Index	168.6	+12.2	160.7
British Columbia:			
Constr. contr. ..... $	378,000	—78.4	660,000
Bldg. permits ..... $	604,000	—59.7	359,000
Life ins. sales ... $000	3,439	+43.4	2,730
Bank debits, $000,000	248.3	—2.3	222.2
Elec. pwr. . kw.h.000	6,875	—5.1	6,354
Employment*	181.4	+29.1	185.4
Index	185.7	+14.4	188.7

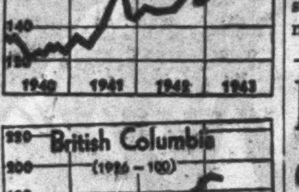
*1926=100. Employment statistics apply to preceding month.
**Cents and eighths of a cent a bushel.











The Week in Business

Fourth Victory Loan subscriptions represent the biggest development of the week for Canadian business generally, just as is the case with individuals. Corporation subscriptions have played the leading part in all our loan campaigns to date and probably will repeat this time, although it is hoped that buying by individuals will show a considerable increase.

Wartime taxes have very effectively limited profits for Canadian business, as a tabulation elsewhere in this week's Financial Post clearly shows. This factor explains why loan officials do not expect corporations to better the $600 millions they subscribed to the Third Victory Loan during this campaign. However, in many cases it has not been possible to translate depreciation allowances into new equipment due to the scarcity of materials. From these reserves there should be a substantial loan support forthcoming.

Newsprint output continues to show a marked lower trend with March production at 246,855 tons comparing with last year's output of 295,835; while shipments at 232,385 tons compared with 289,346. For the first three months production was down 20.7% from a year ago and shipments down 21.3%.

Carloadings are holding at approximately the same level as last year with the total to April 17 showing a decline of only 0.8% from the same period of 1942. C. P. R. gross revenue for the year to April 21 showed a betterment of 11.1%.

Life insurance sales moved up to $46.7 millions in March against $35.8 millions for the same month a year ago. In the first three months of the year sales increased by 7.7% over the first quarter of 1942.

	Mar.	Feb.	Jan.	Dec.	Year Ago
Financial Post Production Index	258.4	252.0	239.0	234.2	206.9
National income, D.B.S. (c)	....	....	693	647	560
Dom. war expend. (million $)	....	199.6	185.0	218.9	132.5
Dom. total revenue (do.)	....	169.4	216.8	175.0	111.1
Dom. total expend. (do.)	....	228.1	233.2	360.4	163.2
Dept. store sales index no.	....	154.3	147.8	146.6	142.8
Retail sales index no.	....	169.1	155.8	156.4	154.7
Wholesale sales index no.	....	145.9	139.9	148.0	136.1
Country store (% change pr. yr.)	....	+16.4	+7.9	+14.6	+15.3
Divd. payment index§	122.1	122.3	122.5	122.7	121.1
Bank deposits (1935-39=100)	151.7	150.0	157.0	189.0	163.4
Cash and cheque pay. index	....	149.2	155.3	166.0	112.7
Bank debits (1935-39=100)	....	152.1	148.3	142.1	118.5
Money supply (c)	....	4,182	4,344	4,347	3,607
NEWSPRINT % OF CAPACITY—					
■Production ratio	64.2	64.9	65.6	66.0	79.9
■Shipment ratio	64.6	65.1	60.4	65.8	83.2
RAILWAY FREIGHT LOADINGS—					
Tons (D.B.S. index)	....	175.5	155.1	175.9	169.3
Cars (D.B.S. index)	....	139.7	130.5	145.2	140.4
COST OF LIVING—					
D.B.S. index	117.2	116.9	117.1	118.8	115.9
EMPLOYMENT INDEX No. D.B.S.—					
All industries	....	181.2	183.7	186.5	165.4
Manufacturing	....	222.1	219.6	221.7	191.2
Payrolls (June 1/41=100) (b)	....	139.5	131.9	144.3	118.5
Payroll index (a) (1937=100)	....	214	216	230	178

	1943	1942	Jan. 1 to date 1943	Jan. 1 to date 1942	% Change
RAILWAYS—					
■Carloadings (week Apr. 17)	66,872	63,838	973,457	981,495	—0.8
■C.P.R. gross (week Apr. 21) $	5,493,000	4,776,000	79,373,000	71,429,000	+11.1
C.N.R. gross rev. ... (Mar.) $	36,100,000	28,706,000	95,707,000	79,623,000	+20.2
C.N.R. net rev. ... (Mar.) $	7,884,676	6,423,448	17,480,001	15,225,000	+14.8
C.P.R. gross rev. .. (Feb.) $	20,333,526	18,238,114	39,261,446	36,898,387	+6.4
C.P.R. net rev. .... (Feb.) $	2,819,368	3,014,013	5,060,023	6,198,076	—18.3
IRON AND STEEL—(February)—					
Pig iron production (tons)	157,467	143,973	254,567	307,129	—17.1
Steel production .. (tons)	245,588	242,921	452,596	501,937	—9.8
CONSTRUCTION—					
Contracts awarded (Mar.)	$11,110,600	17,850,400	42,113,900	41,783,500	+0.8
■Building permits ... (Mar.)	4,934,580	6,972,481	10,899,375	17,810,943	—38.8
Cement prod., bbls. (Jan.)	294,135	283,395	......	......	+3.8
AGRICULTURE—					
Flour prod., bbls. .. (Feb.)	1,890,732	1,584,978	3,953,774	3,140,828	+25.8
Cattle sales▲ ...... (Mar.)	95,620	93,089	229,574	280,226	—18.0
Hog sales▲ .... (Mar.)	612,905	507,007	1,623,510	1,594,945	+1.8
SEA FISHERIES—‡					
Catch cwts. .... (Jan.)	447,600	771,200	....	....	—42.0
Landed value ...... (Jan.)	743,600	917,400	....	....	—18.9
NEWSPRINT—					
■Production, tons ... (Mar.)	246,855	295,835	702,206	885,840	—20.7
■Exports, tons ...... (Mar.)	232,385	289,463	639,764	812,893	—21.3
MINING AND OILS—					
Coal prod., tons ... (Feb.)	1,358,832	1,712,014	3,101,068	3,631,278	—14.6
Gold rec., fine oz. . (Mar.)	279,282	377,109	963,137	1,164,822	—17.3
Petroleum prod., brl. (Jan.)	860,790	875,859	....	....	—1.5
ELECTRIC POWER OUTPUT—(February)—					
Total monthly, 1,000 kw.h.'s	2,951,397	2,864,438	6,169,185	6,090,727	+1.1
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. ... (Feb.)	2,825,933	2,626,084	5,438,191	5,090,031	+6.8
Cotton consump., lb. (Mar.)	18,186,405	16,192,278	48,687,511	49,728,082	—2.1
Cigarette cons., No.† (Mar.)	1,038,975	785,808	2,872,217	2,309,278	+24.3
FINANCE—					
Bank debits† .... (Feb.) $	3,711,843	2,892,864	7,611,471	6,123,653	+24.2
■Bond sales† .... (Mar.) $	379,948	1,068,280	1,113,282	1,279,470	—12.9
■Life insurance sales (Mar.) $	46,730,000	35,876,000	127,570,000	118,314,000	+7.7

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. †000 omitted. ■Millions of dollars.
§Supplied by Nesbitt, Thomson & Co. *1935-39=100. (c) 000,000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

Will Factories Build Homes?

Experts' Views Differ on Future of Prefabrication

Prefabrication conjures up new and radical ideas for the housing field, methods of providing different but desirable homes at relatively low cost.

This week, in the third of series on postwar housing, The Financial Post asks its panel of leading housing authorities what they think about prefabrication for Canadians with this question: "Does prefabrication provide the solution to mass housing for urban and rural dwellers?"

Opinion was unanimous that, if prefabrication of housing is desirable for Canada, scientific research will be necessary to work out the best approach, weighing carefully Canadian climatic factors, raw materials and facilities available, and the market to be filled. Some suggested previous tests had indicated no particular advantages for prefabrication, but others pointed to Canadian war plants as ideal for turning out prefabricated housing units for a postwar market.

W. E. BAXTER
President, Winnipeg Real Estate Board

We have had some prefabrication in Winnipeg. It is not wholly prefabricated; it is semi-prefabrication. It appears to be good construction for a certain type of house. This method is certain to be improved.

* * *

W. H. BOSLEY
Toronto Realtor

The proof so far has not been definite and conclusive in favor of prefabrication as the solution to mass housing. No doubt, advances will continue to be made. Certainly, where frame construction is concerned, prefabrication has some slight edge. In masonary construction, the case is by no means clear.

* * *

M. A. BRADSHAW
Treasurer, North American Life Assurance Co.

It does not appear that prefabrication has advanced far enough in Canada to say whether or not it is a solution to mass housing. In the United States, more progress has been made than in the Dominion due in part to the difference in climate. Under present conditions, I do not feel that prefabrication provides a solution to mass housing in cities, towns or farming areas.

* * *

H. L. BRITTAIN
Director, Citizens' Research Institute of Canada

Henry Kaiser thinks prefabrication is the secret of rapid shipbuilding; but it might be of more limited value where units have more variety such as would probably be desirable with housing.

* * *

H. G. COCHRANE
Civil Engineer and Writer

Of all the unfilled wants to be satisfied in postwar years, probably more money will be spent on residential construction than on any other single item. Housing alone may attain a postwar dollar volume not far below the maximum total construction volume yet experienced.

The supply of the customary types of building materials such as lumber, brick, stone, as well as the available supply of skilled carpenters, masons, plumbers, plasterers and roofers, are likely to be insufficient to fill the demand at the required rate of production, in addition to other types of construction.

On the other hand, we shall have idle war plants searching for peacetime products that are not threatened with stiff competition from established industries. Mass production of small prefabricated dwellings may be the logical answer for many of such plants: a wood, or plastic and plywood type for aircraft plants; a metal and enamel type for tank and gun plants or even perhaps for shipyards; possibly partial assembly and storage of either type in shell-filling plants.

It would seem that further research along these lines should be vigorously prosecuted, with a view to providing shelter as fast as it is needed in postwar years, at the same time utilizing these war plants which might otherwise lie idle, and relieving the construction industry of part of this residential construction. Thus most of its capacity could be released for commercial building, streets, roads, sewers, water, power, as well as for the tremendous volume of deferred maintenance that must be building up.

* * *

DR. E. G. FALUDI
Lecturer and Housing Authority

Theoretically, prefabrication provides a solution to the mass housing problem but practically, in Canada, there is no large-scale industrial organization or scientific research institute that has taken over study of production methods and type of house suitable for Canadian conditions.

Prefabrication has been adopted with great success in Stockholm, Sweden. There are no slums. If transportation costs will allow, prefabrication would also be desirable for farms as well as urban areas.

* * *

J. B. LAIDLAW
Secretary, Ontario Association of Real Estate Boards

There would seem to be no doubt that great savings in building construction could be made by prefabrication of many portions of houses being built. For instance, a standard kitchen could have everything prefabricated and ready for installation in the kitchen built especially to receive the equipment.

The same is true of the heating system and electrical equipment, while proper insulation of the roof and upper stories (with reduced size of furnace and amount of radiation required) would mean reduction of capital cost and annual saving of cost of heating. At the same time the house would be made habitable in the hottest weather. Such prefabrication could be supplied for housing in farm areas as well as in cities and towns.

* * *

H. E. MANNING
President, Ontario Property Owners Association

I do not believe prefabrication provides a solution to the housing problem. But I am not a technician. It would destroy individuality which seems to me to be the essence of good housing.

* * *

GORDON McLEOD PITTS
President, Royal Architectural Institute of Canada

At the present state of development of the art of prefabrication, no solution is provided for the mass housing problem. What the future will bring in the fully prefabricated housing field is difficult to forecast, but on the basis of cost, Canadian climatic conditions and the standard of living we are endeavoring to achieve, the prefabricated house has not arrived as far as Canada is concerned. One has only to visit one of our large farming communities in which large families are the vogue to appreciate how individualistic a farmer's requirements can be and limitations placed upon prefabrication in this direction.

* * *

C. E. PURNELL
President, Canadian Association of Real Estate Boards

Although I have heard a great deal about prefabricated houses, I have not yet had one brought to my attention which could be termed a successful solution to mass housing.

* * *

ROY RICE
Toronto Realtor

Prefabrication may be desirable as a wartime expedient to get quick results in cities and towns, but is not desirable for a postwar programme. Prefabrication of housing for farming areas might be of some value due to the difficulty in securing labor.

* * *

J. B. STIRLING
President, Canadian Construction Association

In my opinion prefabricaton does not provide a solution to mass housing. I would say this quite confidently in regard to housing projects in cities and towns but with not quite so much confidence in connection with farm areas.

For ten or twelve years the dream of some magic method of bringing factory-made houses to the site and of erecting them in sections has appealed to the public mind. It invariably offers a fruitful field for speculation on the part of newspaper and magazine writers. Its promise was probably at its rosiest at the time of the Century of Progress in Chicago. Fortunately, or unfortunately, due to experiments, this promise is further away now than it was then. Those engaged in this field have found that you can build a better house cheaper in the field than you can through any prefabrication methods.

While it is true that factory labor is cheaper and that processes may be simplified by repetition, it has been found that these advantages are more than offset by the problem of distribution. Companies that have started out with factory-built houses shipped in sections have found the bulk to be a great handicap. It narrows down the radius of distribution to such an extent that it quickly overtakes the advantage of factory manufacture. The result is when the project is removed, even a few hours run from the factory, it is more economical to deal in precision cut houses. This means that production line methods are carried out in the field to the extent that can be done. If you want to call field precision prefabricated, then the answer is yes. But that is not the usual conception of prefabrication.

Housing for a farm would also only be a precision cut job. Prefabrication into panels or any other method of assembly presents too many difficulties in transportation; it is too costly.

Nat. Breweries Taxes Limit Net Profits

Excess profits taxes have put a ceiling on net profits of National Breweries Ltd. that apparently will limit them to a figure slightly below present dividend requirements. The Financial Post is advised that the standard profit of this company is $2,300,000.

Present tax levels do not allow a company to retain as net profit more than 70% of its pre-war standard. In the case of National Breweries this would indicate a ceiling of $1,610,000.

After deduction of preferred dividend requirements such a profit would work out to $1.96 a common share. This compares with the $2 annual dividend rate paid for some time and earnings of $2.47 a share in 1942 and $2.54 in 1941.

Bowater's Newfoundland Pulp & Paper Mills Ltd. preferred stock dividends were paid in full during 1942. A short time ago Bowater's Paper Mills, holders of all Bowater's Newfoundland common stock, also acquired the preferred stock. This led to the inference that Bowater's Newfoundland had not paid the preferred dividend in 1942 and that the parent company acquired the preferred in order to retain control.

Higher Market Prices Slash Stock Yields

Comparatively Narrow Margin Remains Between Good Grade Common Shares and Risk-free Dominion Bonds

Has the price of what are usually regarded as good investment issues passed the point at which these stocks can be viewed as attractive? Market advances during the last year have brought a spectacular decline in the yields available to the investor. Today there is a comparatively narrow margin between the yields offered by good grade common stocks and the 3% available for risk-free investment in Dominion bonds.

The chart shows this margin to be particularly narrow in such issues as Imperial Oil, with a yield of 3.7%, Ogilvie Flour at 4%, and Ford A at 4.4%.

In normal times this rather narrow margin between high-grade bonds and common stocks would not be too surprising, were there some reason for anticipating appreciably higher earnings and increased dividends. But taxes are severely restricting chances for better earnings while the probabilities of materially increased dividend return in most cases is quite remote.

In spite of these restrictive factors the investor today must accept a yield some 25% lower than was available a year ago, to which is added the question of whether the difference in yield between comparatively volatile common stocks and risk-free high-grade bonds is sufficient to justify investment in the former.

Taking an average, an industrial that gave a yield of 7.5% a year ago will now yield around 5.4%, while an average gold that yielded better than 10% has come back sufficiently marketwise to reduce its yield to around 7.3%.

Preferred stocks present much the same story. An average preferred that yielded 5.2% a year ago will now yield around 4.7%.

Improved international conditions have particularly benefitted some individual stocks. Imperial Oil is a case in point, its price having doubled during the year to bring its yield down to 3.7%. Whether Imperial Oil should sell on a lower yield basis than the stable Ogilvie Flour might cause considerable discussion in some investment circles.

Similarly, Dome has gyrated from its position a year ago when it yielded 16.2% to its present position of yielding 7%, only 1% better than the blue chip Montreal Power.

This situation adds still another poser to the consideration of whether the general level of stock yields has declined to a point of rapidly diminishing attractiveness.

The drop in yield of some individual issues has been so great that it has placed them in a category—on a straight yield basis—very close to issues which they normally would not approach. The question is whether present conditions and outlook justify this elimination of what might be termed "class lines" in common stock investment.

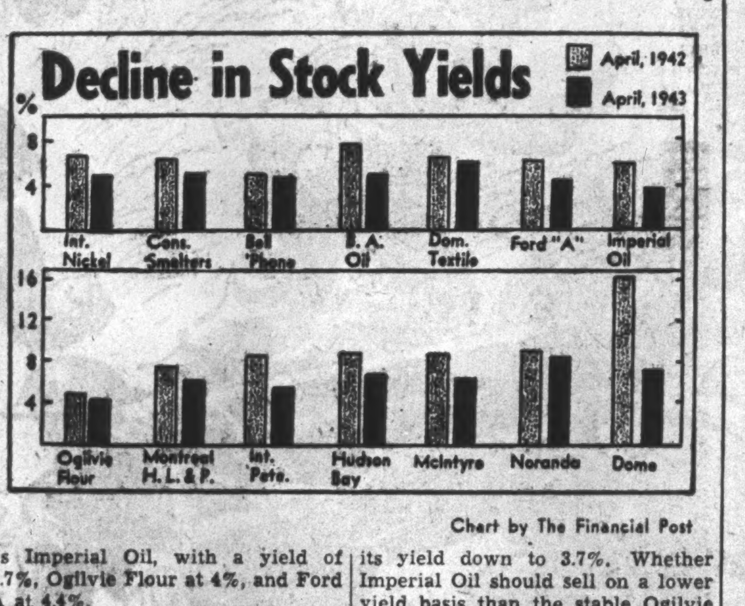


Chart by The Financial Post

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 10	Total co's. 95
(Base 1935-39=100)												
*1935 to date:												
High	134.5	234.4	149.7	123.7	135.7	118.3	128.3	153.4	146.8	118.3	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1943: Monthly Figures:												
Jan.	90.3	75.3	82.4	62.9	114.3	88.2	109.7	84.0	88.5	76.7	90.0	76.3
Feb.	94.0	75.8	88.3	67.2	117.4	88.1	111.8	85.0	88.0	78.6	88.0	78.7
Mar.	96.7	77.1	89.5	65.6	118.1	81.6	113.9	85.3	88.6	80.2	92.1	79.1
1943: Weekly Figures:												
Apr. 1	99.5	78.2	89.0	69.1	119.1	84.1	122.3	87.4	92.5	80.8	96.9	74.3
Apr. 8	101.3	79.4	90.1	68.8	121.6	85.5	127.7	88.5	92.5	80.7	99.7	82.9
Apr. 15	101.0	78.2	95.2	67.7	120.9	86.9	127.3	91.2	97.0	80.9	102.0	82.5
Apr. 22	101.5	78.4	94.9	66.2	120.9	88.9	129.1	89.4	98.1	81.0	103.0	83.2

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Apr. 27	111.76	81.76	73.02	23.11
Apr. 26	112.42	82.47	73.16	23.03
Apr. 24	112.53	82.54	73.32	23.01
Apr. 23	—Holiday—			
Apr. 22	112.34	82.89	73.39	22.99
Apr. 21	112.68	82.45	73.46	23.07
Month ago	106.10	82.29	72.97	21.93
Year ago	80.03	61.04	61.20	16.09
High 1943	113.78	87.04	73.98	23.91
Low 1943	96.00	79.64	68.87	18.14

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cmd.	10 Pprs.	15 Golds
Apr. 27	57.4	74.9	69.1	87.65	62.80
Apr. 26	57.8	75.2	69.4	87.11	63.14
Apr. 24	57.8	75.1	69.4	84.92	63.55
Apr. 23	—Holiday—				
Apr. 22	57.5	75.1	69.2	83.59	63.89
Apr. 21	57.1	75.0	69.1	83.78	64.31
Month ago	55.6	73.3	67.4	82.47	61.25
Year ago	39.6	55.4	50.1	58.06	37.63
High 1943	57.8	75.2	69.4	87.65	66.69
Low 1943	51.8	63.4	59.5	74.07	49.18

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Windsor, Essex and Lake Shore Electric Railway Association

Notice to holders of Trustee's Certificates and/or First Mortgage 6% Sinking Fund Gold Bonds Series A

TAKE NOTICE that a Third and Final Realization Dividend of 24.74%, making a total of 109.44% paid on outstanding Certificates and/or Bonds, will be paid on or after April 30, 1943, to the Holders of Trustee's Certificates and/or First Mortgage 6% Sinking Fund Gold Bonds Series A of the Association who surrender their certificates and/or bonds to the Trustee, Guaranty Trust Company of Canada, Windsor, Ontario.

Dated this 29th day of April, 1943.

Guaranty Trust Company of Canada,
Trustee
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Feeding workers in face of help and food shortages, rationing, and other problems, is a job for experts. Industrial Food Services Ltd., is now supplying well-balanced full-course meals at a popular range of prices in over a dozen plants, which employ from 300 to 10,000 employees. It is under the management of experienced executives with long and successful experience in food and restaurant problems.

Send for FREE BOOKLET

Our booklet, "Food in War Industry" is an interesting presentation of the complete subject and contains sample menus. Send for your copy today.

Industrial Food Services
LIMITED
TRUSTS & GUARANTEE BUILDING, TORONTO

Company Reports

Saguenay Power

Saguenay Power Co.'s consolidated income statement for the first quarter of 1943 reveals a falling off in both gross and net income. Operating revenue was nearly $300,000 lower at $1,362,960. Despite lower interest charges and provision for taxes, net profits were equivalent to 95 cents a share on the common stock, as against $1.65 for the same period a year ago.

Consolidated Income Account 3 Months Ended March 31

	1943	1942
Oper. revenue	$1,362,960	$1,640,829
Add: Other inc.	20,898	15,916
Less: Oper. exps.	282,190	272,616
Net revenue	1,101,666	1,384,129
Less: Bond int.	347,452	354,447
Bond disc.	44,144	44,144
Prem. Bonds ret.	28,443	23,858
Depreciation	184,714	182,390
Tax provision	237,660	365,407
Net profit	259,253	413,883
Less: Pfd. divd.	68,752	68,752
Com. divd.	210,000	157,500
Surplus	*19,499	187,631
Add: Prev. surp.	4,398,642	3,978,701
Surplus forward	4,379,143	4,166,331
*Deficit.		
Earned per Share	$0.95	$1.65

Paramount Oshawa

Government bond holdings of Paramount Oshawa Theatres Ltd., subsidiary of Famous Players Canadian Corp., were $2,500 at the close of the period between Jan. 1, 1942, and Jan. 2, 1943, as against none in the year before. A new bank overdraft of $1,476 is shown in the report for the year. Call loans are up to $65,000 from $25,000, while accounts payable dropped to $514 from $1,272.

Income and Surplus Account

	Jan. 1 1942 Jan. 2 1943	Dec. 29 1940 Dec. 31 1941
Total income	$ 41,421	$ 30,495
Less: Depreciation	7,580	7,559
Inc. and E. P. taxes	*16,538	9,145
Net profit	17,303	13,791
Less: Pref. dividends	2,500	2,500
Common dividends	10,000	10,000
Surplus for year	4,803	1,291
Add: Prev. surplus	102,801	103,887
Less: Adjustments	2,462	2,377
Add: Refund. E.P. tax	920	......
Earned surp. fwd.	106,062	102,801
*Includes $920 refundable E.P.T.		
Earned per share: Pf.	$34.66	$27.58
Paid	5.00	5.00
Common	1.48	1.18
Paid	1.00	1.00
Working capital	$88,511	$74,970

Disher Steel

Disher Steel Construction Co. reports volume of business in 1942 considerably lower than in 1941, according to Clark E. Disher, president. Strict control of all use of steel for building construction "seriously affected the operations of your company for the first half of the year." Contracts for essential war purposes were obtained which occupied facilities in the last half of the year and carried over into 1943. These contracts, it is stated, will be completed in a few months.

It is stated that prices in connection with war contracts completed are subject to government audit but no material adjustment is expected.

Payment of the regular $1.50 a share dividend on the class A preference stock in 1942 left arrears at $9 a share at Nov. 1, 1942.

Income, Surplus—Years Ended Dec. 31

	1942	1941
Oper. profit	$45,923	$80,298
Less: Deprec.	10,273	9,923
Inc. & E. P. taxes	*13,170	38,000
Loss on invests.	437	......
Net profit	22,042	32,375
Less: Pref. divds.	18,760	18,760
Surplus for year	3,282	13,615
Add: Prev. surp.	47,195	48,580
Refund. port. E. P. T.	270	......
Less: Addit. E. P. T.	......	15,000
Earned surp. fwd.	50,747	47,195
*Includes $270 refundable E.P.T.		
Earned per share:		
Preferred	$1.76	$2.59
Paid	1.50	1.50
Common	0.14	0.60
No dividends paid.		
Working capital	$191,271	$176,328

Strand Hamilton

Strand Hamilton Theatre reports moderately lower earnings in the year ended Jan. 2, 1943.

Current liabilities were $760 at Jan. 2, 1943. Previously reported current liabilities were $3,281, with the difference made up chiefly of increased reserves for income and excess profits taxes—$313 currently against $2,742 at the end of 1941.

Cash on hand is shown in the latest statement at $756, as against $25,920 in the earlier period. However, the company has invested in $20,000 government bonds.

Income and Surplus Account—Years Ended

	Jan. 2 1943	Dec. 31 1941
Total earnings	$8,687	$10,249
Less: Depreciation	3,463	3,394
Inc. and E.P. taxes	1,513	2,742
Net profit	3,711	4,113
Less: Pref. divds.	6,000	9,000
Deficit for year	2,289	4,887
Add: Prev. surplus	32,187	36,995
Profit on assets, adj.	62	79
Earned surplus forward	29,960	32,187
Earned per share: Pref.	$4.95	$5.35
Paid	8.00	12.00
Working capital	$52,126	$54,652

Electrolux Corp.

Conversion of manufacturing facilities from a peacetime to a wartime basis resulted in a sharp contraction in profits of Electrolux Corp. Gross income last year at $925,915 compared with $2.9 millions the year before. Net profit amounted to 23 cents a share, as against $1.14 a share in 1941.

Reporting to the shareholders, E. V. Ekman, chairman of the board, said: "We do not contemplate that profits comparable to those of peacetime business can be obtained from its war activities. The management, however, is striving to guide the company so that at the close of the war, its financial condition will permit it to resume vigorously its cleaner business with improved manufacturing facilities."

At the end of 1942 the net working capital was off about $700,000 from that reported at the close of the preceding year. The principal change during the year was a sharp decline in accounts receivable.

Income, Surplus—Years Ended Dec. 31

	1942	1941
Operating profit	$ 908,848	$2,838,860
Add: Other income	17,067	47,858
Gross income	925,915	2,886,718
Add: Reserves trans.	231,427	......
Less: Loss on oper.	570,691	23,804
Depreciation	183,960	122,297
Interest	18,749	24,079
Cont. reserve	50,000	350,000
Loss reserve	50,000	......
Tax provision	......	950,000
Net profit	283,942	1,416,538
Less: Dividend	......	990,000
Surplus	283,942	426,538
Add: Prev. surplus	3,528,794	3,102,256
Surplus forward	3,812,736	3,528,794
Earned per Share	$0.23	$1.14
Working capital	$4,575,234	$5,270,690
Balance Sheet Changes		
Cash	$1,135,429	$1,432,720
Accts. receivable	930,261	4,341,386
Inventories	3,595,109	3,020,222

Allens London

Current assets of Allens London Theatre, Ltd., at Jan. 2, 1943, were $20,254 as against $16,821 at Dec. 31, 1942, according to the report for the latest fiscal year, ended Jan. 2. Cash at the end of the most recent period was $5,175, compared with $16,917 previously, but holdings of government bonds totalled $15,000 against none at the end of 1941. Profit on the year showed a mild improvement.

Income and Surplus Account—Years Ended

	Jan. 2 1943	Dec. 31 1941
Total earnings	$11,441	$11,378
Less: Depreciation	6,567	6,585
Inc. and E.P. taxes	841	556
Renov. & rep. w/o	615	617
Net profit	4,418	3,618
Less: Pref. dividends	4,312	5,750
Surplus on year	106	*2,132
Less: Prev. deficit	55,870	53,738
Deficit forward	56,764	55,870
*Deficit.		
Earned per share: Pref.	$3.84	$3.14
Paid	3.75	5.00
Working capital	$17,165	$13,436

Allens St. Catharines

Allens St. Catharines Theatre Ltd. net profit declined in the year ended Jan. 2, 1943, due to higher tax provision. Cash on hand at Jan. 2 was $3,202, according to the statement for the year, compared with $10,897 previously. During the year the company invested $10,000 in Dominion bonds.

Income and Surplus Account

Years ended	Jan. 2 1943	Dec. 31 1941
Total earnings	$7,435	$7,322
Less: Depreciation	2,402	2,468
Inc. & E.P. taxes	1,262	873
Net profit	3,771	3,981
Less: Preferred divds.	3,400	3,400
Surplus on year	371	581
Less: Prev. deficit	20,205	20,786
Deficit forward	19,834	20,205
Earned per share	$4.43	$4.68
Paid	4.00	4.00
Working capital	$12,145	$9,372

Shawinigan

Shawinigan Water & Power Co. reports a moderate improvement in revenue during the first quarter of 1943, gross revenue amounting to just over $6.1 millions, as against less than $6.1 millions for the like period last year.

Generally higher operating expenses and increased provision for depreciation, more than offset the drop in fixed charges, with the result that net profits for the past quarter amounted to $1,787,897. This contrasts with $1,897,536 for the first quarter of 1942. In both cases the net profit is subject to income and profit taxes.

Revenue and Expense Accounts Three Months Ended Mar. 31

	1943	1942
Gross income	$6,114,111	$6,071,982
Less: Gen. expenses	1,167,755	1,060,306
Power purch.	1,137,922	1,053,186
Water rentals	138,036	124,502
Taxes	204,259	277,251
Fixed charges	887,746	893,706
Exchange	65,495	65,495
Depreciation	725,000	700,000
Net profit*	1,787,897	1,897,536
*Subject to income and profits taxes.		

Brown Co.

Brown Co. reports consolidated net sales in the year ended Nov. 30, 1942, of $33.5 millions, as against $32.2 millions the year before. Returns include those of Brown Corp., wholly owned Canadian subsidiary. After all charges, net profits totalled $2.1 millions, or $14.58 a share on the $6 preferred, as against $2.8 millions, or $19.53 a share in the preceding year.

In his statement to the stockholders, Henry P. Kendall, chairman, reports the company voluntarily repaid nearly $1.7 million of the $4.5 millions borrowed from the Reconstruction Finance Corp., and further reduced the balance to just under $2.6 millions by payments aggregating $247,574. To provide for adjustment to peacetime conditions, reserves of $1.2 million were set up from earned surplus against inventory losses, and $400,000 against other contingencies, including additional income and excess profits tax.

Mr. Kendall reported that costs were substantially higher in the last half of 1942 than in the first half of the year. "The results of curtailed production and of increased costs are clearly reflected in the unaudited results for the first three periods (12 weeks) of 1943, which show consolidated net profit, after taxes and all other charges, of $218,000, in contrast to net profit of $642,000 for the first three months of 1942."

Cons. Income, Surplus—Years Ended Nov. 30

	1942	1941
Net sales	$33,467,085	$32,198,400
Less: Cost of sales	26,411,567	24,957,136
Gross profit	7,055,518	7,241,264
Less: Gen. expenses	1,452,489	1,360,086
Spec. deprec.	437,097	......
Other charges	270,736	355,934
Net oper. profit	4,895,196	5,525,244
Add: Other income	625,846	553,436
Less: Misc. deducts.	301,459	258,929
Bond interest	762,507	1,547,621
Tax provision	2,350,000	1,450,000
Net profit	2,107,076	2,822,130
Earned $6 pfd.	$14.58	$19.53
Working capital	$11,773,748	$12,395,216
Balance Sheet Changes		
Cash	$ 4,051,717	$ 3,806,627
Special deposit	......	1,790,056
Govt. securities	748,676	253,829
Accts. receivable	2,400,974	2,750,951
Inventories	6,184,798	5,444,215
Logging advances	2,618,401	1,651,325
Property account	44,341,968	44,005,625
R. F. C. loan	2,003,370	4,500,000

The Bondholder

Brown Co. 5's moved up around 1½ on the week to about 92 bid following issuance of an annual report that showed moderately decreased earnings. Buying interest in the bonds appeared to be stimulated not so much by last year's earnings as by anticipation of payment of 2½ years' interest on June 1 next. On this point the report states: "Interest accrued and unpaid at Nov. 30, 1942, on the general mortgage bonds has been included in full ($1,606,162) among current liabilities as it is anticipated that all interest accruing on the bonds at June 1, 1943, will be paid on that date."

However, other factors than near-term interest payments enter the Brown situation. During the latter half of 1942 labor costs were substantially higher than in the first half of the year and this condition is continuing in 1943. Results of curtailed output and increased costs are reflected in unaudited results for the first 12 weeks of 1943, which show consolidated net profit, after taxes and all other charges, of $218,000 against $642,000 in the same period of 1942. The company states that every effort is being made to overcome the adverse conditions and with some success to date.

Also noteworthy is this statement: "To correct the condition of deferred maintenance and to modernize the plants so that they will be competitive, and to construct any new plant facilities which may be found to be needed, will require the expenditure of substantial sums of money."

* * *

Western Grain 6's moved up some six points during the week in reflection of the reorganization announcement that would have each $100 of present bonds replaced by $120 of a new 5% bond plus $4 in cash. This plan is very closely similar to the one proposed in early 1941 and which was upset by English bondholders. The fact that the present plan is being advertised so widely and yet is so similar to the previous plan would seem to indicate that some assurance of its support has been obtained from a sufficient number of bondholders.

* * *

Canadian Locomotives were another firm spot on the corporation bond market of the past week, rising two points to around 103½ bid. The company has on hand orders for 102 locomotives, of which 75 are scheduled for India. This business, along with other contracts, is officially expected to carry operations at capacity well into 1944.

Farm Machine Quotas Up

Ottawa Hopes Increased Supply to Move by Fall

Caught between the shortage of labor and lack of labor-saving machinery, farmers fear they will be unable to answer the calls for more production. Ottawa, realizing their difficulties, has decided to allot more materials for farm equipment.

By PETER E. HELLIWELL

Government quotas on the manufacture of farm machinery will undergo a general upward adjustment shortly, to facilitate the release of new supplies to the hard-pressed farmer early in October. This announcement, by H. H. Bloom, administrator of farm and construction equipment, confirms a report early last month in The Financial Post.

Decision for the increase, the second within a short period, is the result of a survey by Mr. Bloom, whose office is in charge of farm implement allocation throughout Canada, in collaboration with agricultural authorities. Indications are that quotas for spare parts will remain at 165% of the 1940 base (they were raised from 150% in March) but quotas of new machinery will be required to be increased to some 75 to 80%, as compared with the present 35%, of 1940 tonnage. Before the March revision machinery quotas were 25%.

The urgent need for farm machinery is indicated by the prices bid at auctions of equipment this spring. In Ontario a hayloader, after 24 years of service, was knocked down for $95. Its original cost had been $85. It was still considered a bargain since it filled the place of three men. A potato digger, 12 years old, cost $150 when new but was bought for $162. A horse-drawn mower, six years old, was resold for $75—small depreciation from its original cost of $90.

According to the Ontario Department of Agriculture, the shortage in Ontario is most severe in the case of labor-saving machines. "If half a township were farmed by one owner it would not be so bad," states J. A. Carroll, Superintendent of Agricultural Societies. "It is the fact that so much of the land is split up into 100 and 200 acre farms that intensifies the scarcity."

With an estimated 400,000 men gone from the plow to the armed forces and the production line in Canada, and a steadily increasing demand for all farm products, the labor problem of the farmer is becoming more serious, and is aggravated in some cases by shortage of machinery.

Release Raw Materials

But arrangements are now being made for early release of materials for agricultural implements. Consideration will be given to each type of machine according to the greatest need. For milking machines, for instance, it is understood that the output allowed will be in the neighborhood of 200 to 215%.

Mr. Bloom's survey, which considered approximately 3,000 submissions from farm areas, showed most Canadian farm equipment has been in service more than 10 years. Drought conditions in large areas during the 1930's reduced purchasing power, with the result that much of the machinery on hand was obsolete at the outset of the war and farmers were not equipped to deal with the increased demand.

Canadian purchases of farm machinery have been lower than those of the United States, as can be seen in the following table:

Farm Machinery Sales

	1941 $	1940 $	Gain
Canada	50,147,586	47,747,865	5%
U. S.	765,269,819	562,543,971	36%

In the United States a recent survey points out that before the start of the present war the situation was more critical than at the outset of World War I. In Great Britain the increase in output of farm machinery has been greater than either Canada or the United States.

Acreage for farming in Great Britain is up 75% and production of machinery ahead by some 120%. Canada is exporting some supplies to Britain, but only in cases of essentiality.

Appeal Allowed

There are rationing offices across Canada, and certificate of essentiality must be filed by each farmer applying for new equipment. The form is received by the supplier, who in turn sends it to the rationing office. Each office has a master sheet, which divides farmlands into block and sales areas, and shows the supply on hand at dealers and other key information.

If the application is turned down, the farmer may appeal to a board of three, one a consultant (usually from the Dominion or provincial department of agriculture), another a representative of the Prices Board, and the third a farmer of the neighborhood.

Mr. Bloom states that it is as yet too early in the season to determine where the most extreme shortages will lie.

Paper Wastage May Hit Publishing, ANPA Warns

From Our Own Correspondent

MONTREAL.—The fate of many newspapers in the United States in months to come may well depend upon how alert they are to ways of conserving newsprint. This is the view expressed by the Newsprint Conservation Committee in its report to members of the American Newspaper Publishers Association who held their annual convention in New York last week.

The committee said government bureaus can win more confidence from publishers and warrant further co-operation by discussing their plans, as freely as possible, with those who are to be most affected by the results, and by supplying the facts upon which decisions are based.

Criticize Price Zoning

Criticism was directed by the committee against the zoning of prices by the office of Price Administration and the complicated system of tonnage allocation followed in Canada.

In the first instance the committee said:

"Along with authority to establish maximum prices, O.P.A. has undertaken to define the word 'newsprint.' By adopting interpretations of the Customs Bureau and adding a few of their own, they have narrowed rather than liberalized the widths, weight and quality of paper generally available to newspaper publishers.

"Also, by making the office the so-called 'zone map,' with its accompanying price schedules, worked out by newsprint sellers in 1934, O.P.A. has aided continuance or re-establishment of price and price differential now in practice in many sections of the U.S. This is the first time any U.S. governmental agency or bureau has officially accepted this system of pricing for newsprint."

Add to Costs?

Turning to the Canadian method of allocating tonnage, the committee said:

"Consideration should be given by those responsible for newsprint prices to the effect upon cost and earnings of the complicated system of allocating tonnage by the Canadian Government among producers. Many mills which normally are able to sell their output, with resulting low basic cost, are now compelled to pass substantial blocks of tonnage to competitors to produce or else are forced to make penalty payments.

"Published statements have shown nearly half the contributions to be well into six figures—ranging up to $375,000. Some of this transferring may be necessary to obtain domestic use of electric power and manpower for war. But even so, its extra cost should not be passed on to the consumer."

Production of newsprint, as well as its use, the committee added, is limited to both Canada and the United States. "Some mills are thus unable to produce all of the tonnage which they have sold under contract. It is hoped that some equitable plan will be found whereby these mills will be able to have others take care of their surplus orders.

"Many newspapers have for years depended solely upon one source. It is unfair to these newspapers to be told in the middle of a month that the mill will be unable to fill orders completely, as a consequence of which they find themselves thrown onto an open market. A foundation of the American way of business, is respect for bona-fide contracts."

Windsor Arms Ltd. has called for redemption all of its outstanding 20-year 6½% first mortgage sinking fund gold bonds at 102, on June 1, 1943, at Toronto General Trusts Corp., Bay and Melinda Sts., Toronto.

FOR SALE

Attractive Investment Opportunity

2 New Up-to-date Apartment Houses Ideally Located in Ottawa

3, 4 and 5 room suites, fully modern. Equipped with electric ranges and frigidaires. Tile bathrooms with recess tubs & showers. Modern kitchens with linoleum floors.

Centrally located. Two short blocks from car and bus lines. Five minutes walk to business and shopping districts.

Rental range $35.00 to $65.00. Annual income over $26,000.00. $40,000.00 cash or Victory Bonds will handle. Balance on reasonable terms. Sale price

$175,000.00

For Further Information Apply

MONARCH REALTIES

160 Laurier Avenue West
Ottawa, Ontario

Loew's London Theatres distribution of its assets will go ahead shortly to preferred shareholders of record April 12. Distribution amounts to $273,302 in total, or $8.10 a preferred share. Common shareholders get nothing. No income tax is to be payable on any part of the distribution on the preferred, the entire sum being considered as return of capital.

VICTORY *first*

Before Canadian manufacturers can produce goods to meet consumer demand, they must first provide everything needed to carry on the war.

War production is at a tempo undreamed of in days gone by.

And the greater, the faster that production, the less opportunity there is either to obtain materials to fabricate or to carry on prewar operations.

Fortunately, the Canadian public appreciates the difficulty — and so does the trade — for this is everyone's war.

And Victory must come first.

That's why GSW has dedicated its direction, its skilled workers, its vital materials, to the end of hastening this victory.

When Victory has crowned Canada's efforts, GSW will again turn swords into ploughshares with that efficiency which has made it friends throughout the whole Dominion.

GSW QUALITY GOODS — **GENERAL STEEL WARES LIMITED**

MONTREAL · TORONTO · LONDON · WINNIPEG · CALGARY · VANCOUVER

Correspondence

"Boatyards Idle"—A. D. MacLean

Andrew D. MacLean is the editor of "Boating Magazine" and was formerly in charge of the Fairmile coastal patrol.

Editor, The Financial Post:

To the public, led to believe that every effort is being made to increase our production of weapons of war to unprecedented figures, it will come as a shock to learn that the wooden boatbuilding industry of Canada is working at only 30% of its capacity. The total production of this energetic, capable and above all, patriotic group of skilled engineers and craftsmen has, since the outbreak of the war, not been employed more than 10% of the hours it could have been employed turning out submarine chasers, motor torpedo boats, air rescue boats, invasion barges, minesweepers, harbor craft and life boats.

Whenever this industry has received orders from the government, it has executed them rapidly, at low cost, and of a quality of which every Canadian can be proud.

Although this is now the fourth year of war, our boat building industry has 60% or more of its productive capacity idle. Lacking adequate war orders from the Canadian Government, several Canadian boat builders have approached the United States and British Government and have received enthusiastic reception. These friendly governments find, however, that they cannot place orders in Canada because our government says all our builders are working to full capacity!

In spite of the unused capacity of dozens of large boat building yards to take on more than three times the work they now have on hand, the Department of Munitions and Supply has let huge boat building contracts recently to a company and a plant that did not exist a few months ago—contrary to the regulations of the Wartime Prices and Trade Board. While hundreds of skilled wooden boat builders are idle at existing boat yards, the Government gives a contract to a non-existent yard to build boats. A new plant must be built, machines purchased and skilled men found to live in a new place.

In the United States every boat and yacht building yard is working to the utmost of its capacity with continuity orders and huge additions are being added to plants to produce the boats their Government requires.

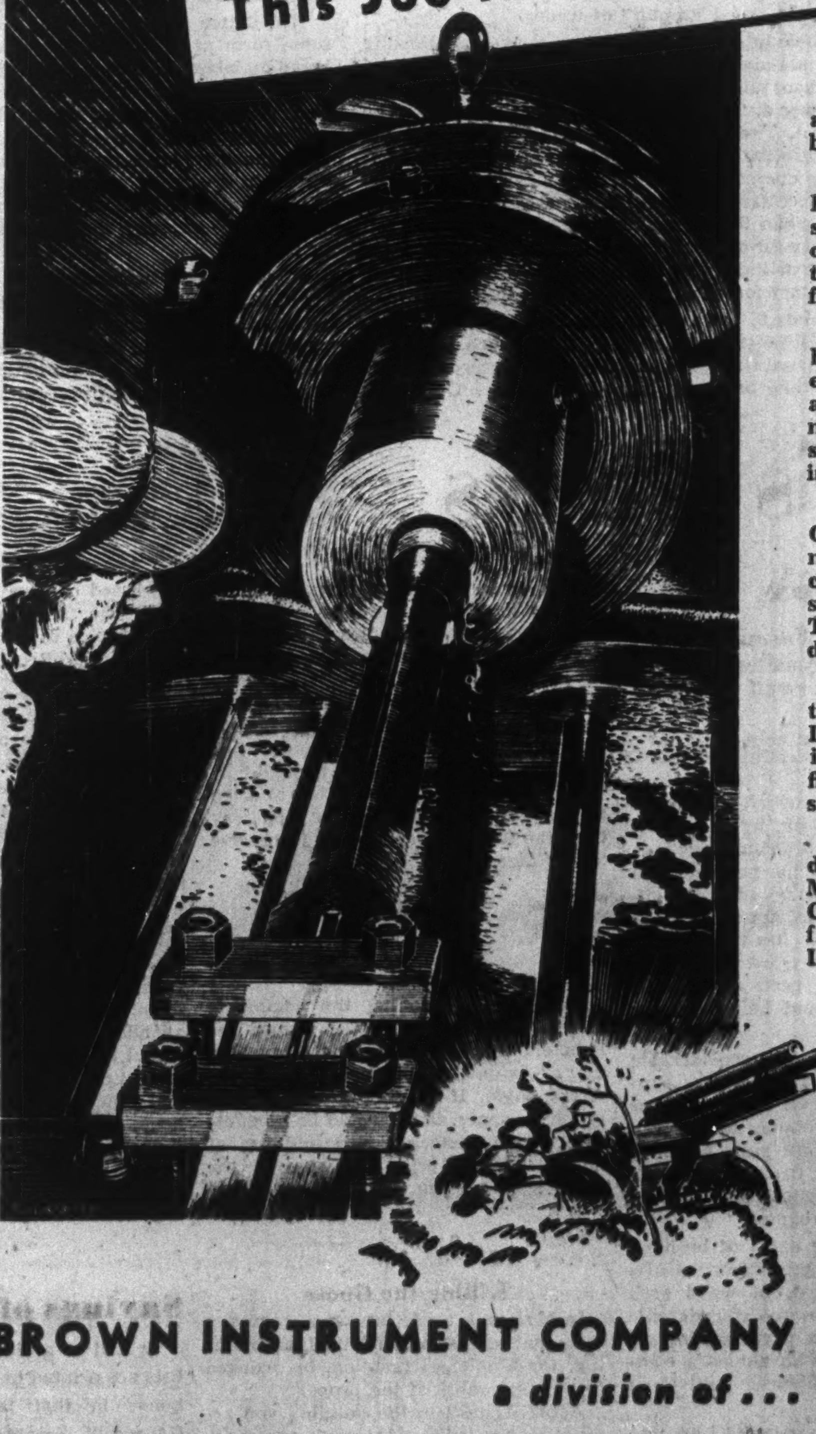
The submarine danger increases daily yet Canada is taking no adequate or intelligent steps to assure our ships safe passage along our shores.

ANDREW D. MacLEAN,
Editor, Boating Magazine,
Toronto.

Boatyards Not Idle Ottawa Reports

OTTAWA.—Commenting on the statement of Andrew D. MacLean that Canadian wooden boat building facilities are not being adequately used, Ottawa shipbuilding authorities state that while statistics on percentage of capacity utilized are lacking, the ratio is considerably in excess of 30%. This figure includes minesweepers, Fairmiles, harbor boats and other small craft.

The contract given to the firm not previously building boats, to which Mr. MacLean refers, is stated to be for less than $1 million and is for knock-down barges, which are more of a "prefabricated package" than a boat and hence do not represent business really taken away from the boat building trade. It is stated that $27,000 of capital assistance for the firm building the barges has not been used as yet.



More than anything else, modern methods of annealing and forging determine the success of a gun barrel in its baptism of battle fire.

High point in a gun barrel's early life is when the hole is bored and the rough metal assumes significant shape. The lining must be as smooth as the inside of a glass tumbler. And it must stay smooth to maintain clock-work delivery of T.N.T. "calling cards" for Hitler.

That calls for tough steel—tougher than ever before, to withstand the shock of higher powered explosives. And that, in turn, calls for continuous and more accurate control of temperatures during manufacture. Brown Industrial Instruments are supplying such control for most of Canada's most important arsenals.

Take the manufacture of 3.7 High Angle A.A. Gun Barrels. First, forging temperatures must be maintained within a narrow tolerance. Second, special control kept on the temperature rise, the length of soaking time and the rate of cooling for annealing. Third, there must be close control of hardening and drawing temperatures after machining.

These operations are successfully accomplished through the amazing accuracy of Brown Industrial Instruments. This is but one example of how these instruments are making possible more powerful fighting machines that withstand the most exacting service.

If you are engaged in war work or essential industry, you will find the experience of Brown and M-H engineers a valuable aid in increasing efficiency. Call upon them anytime. Meanwhile write for the free booklet, "The Technique of Precision Control In Industrial Processes." Address, Minneapolis-Honeywell Regulator Company Limited, 117 Peter Street, Toronto. Branches: Montreal, Winnipeg, Calgary.

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NOTICE
to Debenture Holders of the CITY OF PORTAGE LA PRAIRIE

In accordance with the plan of adjustment of the debenture debts of the City of Portage la Prairie the Municipal and Public Utility Board of Manitoba has fixed the Fifteenth day of May, 1943, as the date upon which the old debentures and coupons will be exchangeable for the new debentures, coupons and cash settlements pursuant to the provisions of the plan.

Instructions for Exchange

Debenture holders, accordingly, are requested to forward their debentures together with all unpaid interest coupons, both matured and unmatured, to the **Bank of Montreal, Portage la Prairie, Manitoba,** for exchange. It is suggested that the debenture holder should conduct the exchange through his or her own local Banker.

W. H. BURNS,
Treasurer,
City of Portage la Prairie.

The Editorial Page . .

Double Winning Dollars

As a purely economic measure the present, previous and future Victory Loans constitute a vital cog in our war program. Even if the government did not need the money, some similar device would have been necessary on the sole ground of checking inflation.

Canada in common with all other countries has just so much industrial capacity. When the great bulk of this is engaged in turning out munitions and armaments, then there is little left for producing civilian goods and operating ordinary civilian services.

Without war loans and war taxes absorbing surplus spending power, there would arise a much greater demand for goods and services than could be supplied. The result would be an ever increasing competitive demand for these goods and services and an inflationary spiral that would soon send prices sky high. It is precisely to eliminate this threat to the war effort that justifies the investment of every possible dollar in Victory Loans.

But this is not the only economic advantage. The money that would be normally spent on non-available luxuries and conveniences is being used only temporarily to finance our national purchases of shells, guns and planes. After the victory, that money will again be available for normal peace time purchases and at a time when it is essential in the interest of full postwar employment that our industries have the widest possible markets for their production. Money invested in Victory Loans therefore works for us in winning the war now but will also work for us in winning the peace.

Farms are Food Factories

Many of our agricultural troubles in this war are traced to the fact that framers of Ottawa regulations apparently, have failed to realize that the Canadian farm is primarily a factory for the production of food. As with any other factory, a supply of labor, tools and raw materials is absolutely necessary if maximum output is to be maintained.

Yet while that point has been understood with munition and armament factories, not until a food crisis threatened was there much done about assuring the farmer his supply. His labor was allowed to drift away, the output of his machinery and other absolutely vital supplies like lumber, fertilizer, concentrated feeds and fencing, were rigidly curbed. Under the circumstances, it is remarkable that he was able to increase production of meats, dairy and poultry products last year, and it will be little short of a miracle if he can maintain output this season.

Up-to-date farm machinery, lumber for repairing barns, building hog pens and poultry houses, fences for keeping stock out of growing crops, special feeds, fertilizers and a host of other agricultural supplies, as well as skilled labor are just as essential in food production as lathes, drills, and welding machines in munition making.

True there can be waste of these supplies, on a farm and in a munition factory, and every effort must be made to guard against it. It is also true that we need certain foods more urgently than others and development must be steered accordingly. But sweeping, blanket regulations, instead of correcting such situations, very often aggravate them. Canadian farmers are being asked to produce prodigious quantities of vital foods this season. They can only do so if they get the necessary tools, and on time.

Must Explain Reconversion

War plant layoffs and shifts in production are affecting more and more communities, but so far nothing is being done to counteract the harmful effect on worker morale created by these moves.

The one who is most directly affected, the man at the machine, has not been given any adequate picture of what is happening or what may happen to his war job. This is giving rise to confusion already being exploited by certain groups. In one recent jurisdictional fight in an important arms plant, one union used the probable layoff situation as a key argument in its drive for more members. This union boldly promised that a layoff could be prevented if it were put into the saddle.

This matter has grown to such importance that it demands the immediate and close attention of the governmental authorities responsible for the war contracts which are being shifted because of the highest considerations of strategy and logistics.

Munitions Minister Howe, so far has made only piecemeal statements in the House indicating that all those who may be laid off will be absorbed into other employment. But the worker does not read Hansard to learn what may be happening to his job. Furthermore, very few workers are in a sufficiently comfortable position to view with complacency even a temporary layoff while they are "absorbed" into other employment.

Real reason why no more satisfactory explanation of reconversion has yet been made, very probably is that top officials themselves still don't know with any degree of clarity what reconversion is going to involve, its extent or nature.

Yet without a plan or program, the reconversion job will almost inevitably be bungled; will be hit-or-miss, and governed by political or other improper considerations rather than war need and Canada's real ability to supply that need.

What is abundantly needed is a joint body, representing government, workers and industry to oversee the reconversion job, to ensure that stoppages and cancellations of war orders be given the utmost forethought and that blueprints of an overall plan be drawn up to see that the manpower and facilities so released is put to the most effective and immediate use.

The Financial Post's Platform for War

1. *All manpower and resources, efficiently used, wherever needed, to win the war.*
2. *A national war cabinet of Canada's best, chosen not on party lines.*
3. *A non-political industrial executive to organize and direct procurement of war supply.*
4. *Pay-as-we-go policy, to the utmost possible limit to avert inflation.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *Planning NOW for postwar, by government and business, to ensure full employment and improving social standards through individual, competitive enterprise.*

A Check on Misuse

Investigation of government spending by Public Accounts Committees of the various legislatures could be a useful check on use and misuse of the taxpayer's money. Too seldom, however, do these committees adequately do the job entrusted to them.

Look at the recently finished session of the public accounts committee of the Ontario Legislature. This committee was confined in its authority to probing accounts for the year ended March 31, 1942. Although the next fiscal year was practically ended, the committee was given no information on comparatively current history. Ancient history was its only field.

There is some virtue in investigating old expenditures but very little compared to examination of current spending. The Provincial Treasurer had all the information he needed to report a large surplus on the province's operations for the year ended March 31. Hence there was no need to foist old stuff on committee and public.

Tokyo Boosts the Loan

If anything more were needed to speed the Fourth Victory Loan to overwhelming success, it was supplied by Tokyo's admitted murder of captured American fliers.

This latest addition to Jap crimes must surely remove any vestige of doubt as to the nature of the enemy.

We are still a long way from imposing complete defeat or exacting unconditional surrender. The road to those goals will be hard and crowded with many sacrifices. Subscription to the Victory Loan is not even the beginning of sacrifice. It is a duty and a privilege.

Cartoon by Grassick.

THIS IS NOT AN ALL OUT WAR EFFORT

News Item—Over 17,000 workers idle for several days during Windsor Ford tie-up. Food shortage threatened due to acute scarcity of farm help.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

New Pattern for World Trade

Walter D. Jones is chairman of the board of the International Business Machines Co., Toronto, and is also chairman of the foreign trade bureau, of the Canadian Chamber of Commerce. Below are pertinent extracts from a recent address by Mr. Jones to a C. of C. meeting in Toronto.

Last week in this column, a digest of the Canadian Manufacturers Association's brief to Ottawa raised several specific problems concerning postwar exports and imports. Here Mr. Jones suggests a new international approach for dealing with the whole matter of world trade.

• • •

Prophecy is dangerous, but I venture to predict that international trade after this war will be conducted along different lines. Goods sold to foreign countries should be of a kind and nature which are needed by them for the development of their internal economy on the same basis that a country with an abundance of goods for export only imports materials and supplies which can be used for its own development and prosperity.

Export-import business should be beneficial to seller and buyer alike. Unless the trade is mutually advantageous, in time it will dry up.

By abolishing the shibboleth, "Caveat Emptor" in foreign trade, too often a condition in the past, and by giving the same consideration to the trade of a foreign country as that accorded a domestic customer whose goodwill is cultivated and prized on account of present and future business, so we will get away from the idea of looking upon foreign countries as a "dumping ground" for surplus products.

The use of this word "dumping" indicates most eloquently its low sales psychology. It matches with the outmoded "Caveat Emptor" of trade.

I believe this to be true because for years following the termination of this war and the final conclusion of peace, chaos and confusion are likely to exist throughout the world. To a great extent military forces will be in control. Their control and direction will be necessary before the reign of the banker and economist can properly operate. This military control will be absolutely necessary because anarchical conditions may prevail when the Occupied Countries exact their toll of revenge for deportations and the murder of hostages from the withdrawing German armies of occupation. The military forces will have to police the world.

It stands to reason, therefore, that exports and imports will be rigidly curtailed. Under such handicaps international trade, sponsored by Free Enterprise, will, for the time being, be curbed materially. Only such goods and materials as are necessary for the feeding and rebuilding and reconstruction will be permitted to enter European countries.

It may be assumed, therefore, that certain areas of the globe for a period of years will not be open to Free Enterprise in export trade. When then, will Free Enterprise be permitted? What will be the inducement to trade with nations whose credits are exhausted by the war? What kind of goods can be exported to them? How will they be paid for — in cash or in kind? To what extent will government control direct the export trade of a country? Will nations follow the precedent established by Germany from 1933-1939?

Admitting that Germany's aim in "trade by barter" was destructive and designed to equip Germany for world domination for a thousand years, what lessons can we learn which, rightly applied and with unselfish motives, may succeed in ameliorating the lot of mankind by re-establishing world trade?

The fundamental weakness of our past industrial system has been its inability to distribute its benefits equitably. This is true both as to domestic economy as well as distribution for export. In future we may see national governments acting as cartels, working under mutually beneficial and harmonious agreements to formulate international trade policies for the advancement of all nations. We may see the natural resources of the world geared to world economic requirements under a broad, comprehensive plan.

In the light of all these probabilities, can we not envision a stronger, better and more enduring form of the League of Nations built on the cornerstone of interdependent nations rather than independent nations as in the past, aided by a Bank for International Settlements effectively administered to handle the financial transactions involved under such a plan?

The latter institution could include in its charter some form of international goods or products value based on labor and living conditions in the countries of origin. This international standard of values based upon goods or raw materials could be used as an international yardstick, rather than the confusing and multiple monetary systems, with their constant fluctuations in exchange values. Who knows? Perhaps a redistribution of gold and the gold standard may be revived to express these internationally accepted values.

In any event, two such accepted governmental instruments, effectively forged, should overcome the weaknesses inherent in the past. Experience of previous mistakes should act as a guide to prevent future recurrence of chaos in international trade if we are ever to reach the goal of peaceful international trade.

Post-Scripts . . . .

Foe of Dictators

Vernon Bartlett, M.P., who is making a speaking tour of Canada on behalf of the British Ministry of Information, is a very experienced publicist. He has a competent command of the two main mediums required, his voice and his pen. Born in 1894 at Westbury in Wiltshire, England, he received most of his education at Blundell's School at Tiverton in Devonshire. This is a very ancient educational establishment, which has produced not a few famous men. Leaving school at 17, he travelled on the European continent for a few years and by learning to speak French and German acquired assets which were later to stand him in good stead.

MR. BARTLETT

Enlisting for active service in the last war in 1914 he served with credit until he was invalided out of the army. Then he joined the staff of the Daily Mail only to leave it a year later to enter the service of Reuter's Agency for which he covered the Peace Conference at Paris. Next, after a spell of work on the Daily Herald, he took employment with the London Times, which he represented from 1919 to 1922 as a special correspondent in Switzerland, Germany, Poland and Italy. However, he came to differ with the Times on important issues of policy and, having become through his contacts with Geneva, an enthusiastic supporter of the League of Nations, he became director of publicity for the British League of Nations Society.

By this time Bartlett had come to be recognized as one of the best-informed authorities upon the complicated and rapidly changing European political scene and so the British Broadcasting Company enlisted his services as one of its chief commentators upon political problems. He proved himself a first-class broadcaster and soon acquired a large following among the British public. But he was also a very outspoken and damaging critic of the Nazi and Fascist regimes and his persistent attacks upon them caused great offence in Germany and Italy and to British admirers of Hitler and Mussolini. At that time the policy of appeasing the two dictators was being pursued by different British Cabinets and when Bartlett refused to tone down his criticisms he and the B.B.C. parted company in 1934.

But he had no difficulty in getting a post on the News Chronicle, the leading liberal daily in London, which was not in sympathy with appeasement. In a short time he was appointed its foreign editor and in this role continued to criticize the dictators. In 1938 there occurred a vacancy in the parliamentary representation of the Bridgewater division of Somersetshire and when the Labor Party decided that it was hopeless to contest the seat, Bartlett accepted an invitation tendered by various elements opposed to the foreign policy of the Chamberlain Ministry, to stand as an Independent.

It was supposed to be a safe Conservative seat but Bartlett staged a whirlwind campaign in which his skill as a broadcaster was most useful and, getting elected by a comfortable majority, was one of the first of the now substantial bevy of Independent members who have been elected to the present British House of Commons. At Westminster he has given the Ministry of Churchill, of whom he is a warm admirer, steady general support but he has also been a severe critic of many of the government's policies and has been able to make valuable contributions to debates on foreign policy.

Now nearing his fiftieth year, Vernon Bartlett is a sturdily built Englishman, who wears his age easily. He has a forthright and rather abrupt habit of speech and is none too patient with views which run contrary to his own. He has to his credit a number of interesting books beginning with "Mud and Khaki" written in 1916. Others are "The Brighter Side of European Chaos," 1925, "Nazi Germany Explained," 1933 and "This is my Life," an autobiographical volume (1938). He also collaborated with R. C. Sherriff, the dramatist, in giving the form of a novel to the latter's famous play "Journey's End." Bartlett's favorite recreations are walking, swimming and talking.

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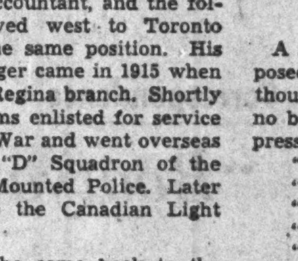
International Flavor

An international flavor is given to the roster of the Bank of Montreal's assistant general managers, with the recent appointments of R. J. Williams and L. W. Townsend. Williams was born in Llyswen, Wales, while Townsend claims Bromsgrove, Eng., as his birthplace. The other four A.G.M.'s were born in Canada, two in Ontario and one each in Quebec and New Brunswick.



MR. WILLIAMS

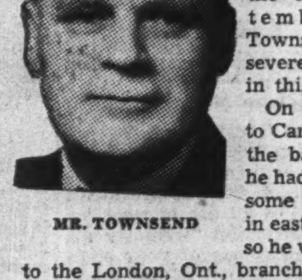
Mr. Williams started off his banking career with the United Counties Banking Co. at Birmingham. After serving in Sheffield and other English towns, he came to this country in 1904 joining the Bank of British North America, which was later absorbed by the Bank of Montreal.

Five years later he was in the Saint John branch as accountant, and the following year moved west to Toronto where he held the same position. His first post as manager came in 1915 when he took over the Regina branch. Shortly afterwards Williams enlisted for service in the first Great War and went overseas as a member of "D" Squadron of the Royal Canadian Mounted Police. Later he transferred to the Canadian Light Horse.

After the war he came back to the bank and first was attached to the Superintendent's Department in Winnipeg and was later appointed an assistant inspector of western branches and back to Regina in 1920 as manager. Five years later he was made assistant manager of the Winnipeg office, succeeding to the management in 1927.

By this time Williams' broad experience and ability had made him a marked man and when the managership of the important Toronto office became vacant in 1932, he was brought East to take charge. There he remained until 1936, when he was given charge of the main office in Montreal, a post he held until his present appointment.

L. W. Townsend, came to this country in 1912 and entered the service of the Bank of Montreal at Brandon. Later he served at the Cardston and Vancouver branches, before proceeding overseas in 1916 with the 44th Battalion of the C.E.F.



MR. TOWNSEND

He was promoted to the rank of captain and won the Military Cross during the attack at the Canal du Nord at the end of September, 1918. Townsend was severely wounded in this action.

On his return to Canada in 1919, the bank decided he had better have some experience in eastern Canada, so he was attached to the London, Ont., branch. He stayed there until the end of 1922 when he was appointed accountant of the Preston branch.

Some three years later, he was made assistant accountant of the important Hamilton branch, where he remained until his transfer in 1930 to the assistant general manager's department in Toronto. Serving there, and relieving for short periods in Toronto branches, Townsend remained for three years until he took up his duties as assistant to the manager of the staff department at head office in Montreal. In 1933 he took over control of the department, and it is in his capacity as manager of the staff department that he has now been raised to the status of an assistant general manager, with additional jurisdiction over the bank premises and routine efficiency departments.

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What the Papers Are Saying . . .

Coined Monstrosities

Richard J. Needham in Calgary Herald

For readers interested in the English language, we beg to report that a new expression has been coined in Chicago: "appeasolationist." Its meaning is evident: a useful word, no doubt, but we hope its life will be both gay and short. In Vancouver, people have been writing to the press to suggest new names for the Alaska Highway. One gentleman suggests the name "Alcanusa," and another the name "Alcanusapanamex," which is calculated to satisfy the residents of Alaska, Canada, U.S.A., Panama and Mexico. We see by the Calgary Herald that there is a special word for the plight of a man who gets a seat on a T.C.A. plane, then has to give it up to somebody with a priority. Such a man suffers "deplanement." We got talking the other day with a bunch of savants about the possibility of a pleasant substitute for the word "war": they finally decided on the expression "unilateral arbitration," which is calculated to drive the headline-writers to drink, assuming there is any drink left for them to be driven to.

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Realism

Halifax Herald

A shipyard worker in Vancouver, opposed to the recently voiced slogan of thoughtless agitators—viz., "No beer—no bonds"—points out in a letter to the press the following vicious circle:

"No beer—no bonds.
"No money—no ships.
"No ships—no work in shipyards.
"No work in shipyards—no money.
"No money—no beer."

This, he adds, "covers the situation with realism in overalls." It is a point of view humorously but well expressed. And in the ultimate analysis, there is more realism in it than humor.

Other People's Views . . . .

The Canadian Editorial of the Week

Can Afford Only One War

Vancouver Sun

Canada has begun a complete enquiry to find out what is wrong with its national labor policy. The enquiry comes none too soon. For quite obviously we are heading, in Canada, toward a labor situation which could undermine our whole war program and demoralize our economic system.

Our factories in Canada, whether they are producing war goods or not, are all at the front today. They are all vital to the war program or to the maintenance of the civilian economy, which stands behind the war program. When the war is over it will be possible to unfreeze our price and wage structure. It will be right and proper for labor, then, to seek a new division of the national income if it considers the existing distribution unfair. But if a scramble for higher rewards gets under way now, with a rising spiral of wages and prices, and no possibility of increasing the supply of goods, then the working people will suffer most in the end. The whole war program will bog down in strikes. The fighting spirit of the nation will be lost in class warfare. The only war we can afford now is the war for our survival for the chance to settle our own social differences in our own way, not Hitler's.

The Mail-box . .

Why Draft Farmers

On the first page of your issue of April 24th is an article by your staff writer from which I quote:

"A clamor for farm help (delayed by the late spring) is rolling in from all parts of Canada."

I have a farm of which I am the absentee owner. It is run by an experienced farmer who unfortunately is a bachelor. He lives on the premises and operates the farm portion of the property consisting of about 30 acres of tillable soil, and the farm has been a producing unit for several years. Up to date, however, there have been no animals on the farm, the output being entirely that of crops.

This year he purchased considerable quantities of stock feed and seed, to supplement what he had on hand, together with sufficient seed potatoes for 8 acres, and as was the case last year, intended having a very large truck garden. In addition to this, he contemplated raising hogs this year, upon request.

There are about 60 acres of bush on the property and through his own efforts has averaged 100 cords of wood each winter. He also has been a considerable help to his neighbors particularly as I have furnished him with almost a complete outfit in mechanical cultivating units.

This man has been drafted and was refused deferment with the comment that he would be more useful in the army than he would be on the farm.

By some curious complex the authorities appear to consider that a farm without animals is not a farm.

If we are threatened with a food shortage, and a man who is an expert farmer is drafted into the army, I am just wondering where this will all end.

It is a much simpler matter to keep a man on the farm than to take him away from the farm and endeavour to reverse the process.

F. W. Browne.

Toronto.

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Better Homes

I have been reading the comments under the title of "Better Homes for People." It seems to me that this whole matter is being approached from the wrong angle. If the people were sure of proper incomes, there would be no question about financing and building of homes. Personal pride would provide the incentive if income was stabilized.

R. F. HEAL.

Toronto.

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Killing the Goose

In Montreal, a life insurance company asks that assessment of an office building, for Municipal taxation, be reduced to the real value of the property.

Actual rentals in the building and accurate knowledge of rental values in Montreal place the value of the building, based on current earning power, at one figure. The city supports an estimate about thrice as great by guessing at the present cost of replacing the building.

Administrators of Montreal have not learned that over-taxation, at more than real estate can earn, has forced, in Montreal, abandonment to tax sales of thousands of properties, the demolishment of many buildings and, in the heart of Montreal, keeps choice sites vacant.

It is so simple. Human beings always must abandon things which it is not worth while for them to keep.

What is the replacement value of an old viaduct, of the pyramids, of ancient ruins? Enormous; but, nobody wants them! They earn nothing. All were abandoned because they ceased to be useful to living men and women. In the same way, Montreal's proprietors abandon real estate which does not earn its keep; Montreal's taxes, often, are more than real estate can earn.

C. H. CLARK.

Ste. Anne de Bellevue, P.Q.

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Sayings of the Week

"It will be a bit late after the casualty lists are printed to say, 'I wish I'd bought bonds in that last Victory Loan' "—*George W. Spinney, Chairman, National War Finance Committee.*

As Others See Us . . .

The Last Frontier

Fort William Times-Journal

Waterways, roads, railroads and the airplane have combined in cracking open the last frontier of the North American continent—the Northwest Territories and Alaska. This is what Gordon L. Smith points out in a timely and informative article in The Financial Post. The vast new region, Mr. Smith emphasizes, is not the barren wilderness it has been pictured.

After we have won the war, as we must or perish, it will be found that one of the most significant results will be the opening up of this spacious region and the opportunity it will give to men and women of the pioneering breed.

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Only a Suggestion

Vancouver Sun

According to the reliable Financial Post, Dr. Leonard Marsh worked at most only four to six weeks in the preparation of his social security report, and he is quoted as saying that "we really did the intensive brain work in a week." This finally demonstrates that the Marsh Report is nothing more than a general suggestion prepared in haste. It is not a Beveridge Plan. And how it ever came to be regarded as such, how it was formally submitted to a committee of Parliament, is still a matter of mystery.

The only concrete plan before Parliament—and it is not very concrete either —is a health insurance act.

Stop Me If . . .

Teacher: "Who signed the Magna Charta?"

Youngster: "Please, ma'am, 'twasn't me."

Teacher (disgusted): "Take your seat."

Visiting member of school board: "Call that boy back. I believe he did do it."

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Technicality Can Cancel Citizenship

Americans Who Vote in Canada Automatically Become Aliens

How to lose U. S. citizenship in a hurry: Vote in a Canadian election —municipal, provincial or federal.

According to reports, a number of Americans have recently found this out—too late.

Returning home after temporary residence in Canada, they have been asked by U. S. consular officials whether they voted or took any part in any election while on this side of the border.

An affirmative answer has placed them in the category of aliens, so far as the United States is concerned. Like other aliens they have then had to go through the process of applying for admission, as well as for citizenship.

This complication stems from the U. S. Nationality Act of 1940, which went into effect in Jan., 1941, and made "participating" in a "political election" in any other country than the United States a cause for loss of citizenship.

Most frequently embarrassed are those who own property in Canada and inadvertently vote in municipal elections.

Mistake, Anyway

Actually, it appears they should not be permitted to vote by Canadian officials anyway, since two primary requirements on this side of the border are that a voter be at least 21 years old and a British subject. The Financial Post is told that the laws of all provinces, with the exception of Saskatchewan, specify that a voter must be a British subject.

Taking an oath of allegiance in another country is another way an American may lose his citizenship. Before Pearl Harbor many young Americans came to Canada to enlist in the Royal Canadian Air Force. Arrangements were made to waive the oath of allegiance in their case, so they could retain U. S. citizenship.

The main way in which a Canadian forfeits Canadian citizenship is by becoming a citizen of another country, or, in the case of minor children of parents who become naturalized in the United States, by the naturalization of their parents.

In the last case, loss of Canadian citizenship is not final. A minor who accompanies his father to the United States, where the latter becomes naturalized, acquires U. S. citizenship, but can make a final choice of which country he desires to serve as a citizen on reaching the age of 21 years.

When a Man Marries

A Canadian woman, who marries a U. S. citizen and does not become naturalized, retains her British citizenship.

On the other hand, an American woman who marries a Canadian automatically becomes a British subject but also retains her U. S. citizenship, the result of certain peculiarities of the laws of the two countries. Thus it is possible to have citizenship in more than one country.

Famous Expatriates

Two of Canada's best-known expatriates, Lord Beaverbrook and Viscount Bennett, remain Canadian citizens as long as they live because they were born in Canada, but have lost their right to be called Canadian nationals, can no longer travel on Canadian passports. Yet when they enter Canada they do so through the "front door" of our Immigration Act because they are still citizens.

As a general rule persons born in Canada never lose their right to return as citizens. On the other hand, a British subject may become a citizen after he has lived here for five years but lose that citizenship after living outside of Canada for more than a year. This loss of citizenship may be deferred in special cases for not more than five years by granting special extensions.

A person cannot become a Canadian citizen unless also a British subject. If a Canadian marries an American girl she might become a Canadian national, but not a Canadian citizen, within the meaning of the Immigration Act.

Crime and Citizenship

A habitual criminal could only secure citizenship in either the United States or Canada through misrepresentation. His citizenship, moreover, would be subject to forfeiture on discovery of the misrepresentation.

A U. S. citizen who enters Canada legally and resides here for five years acquires what is termed "Canadian domicile." He cannot be deported for a crime after this five-year-period elapses unless the crime is actually committed during the period in question.

Falconbridge Boosts Output

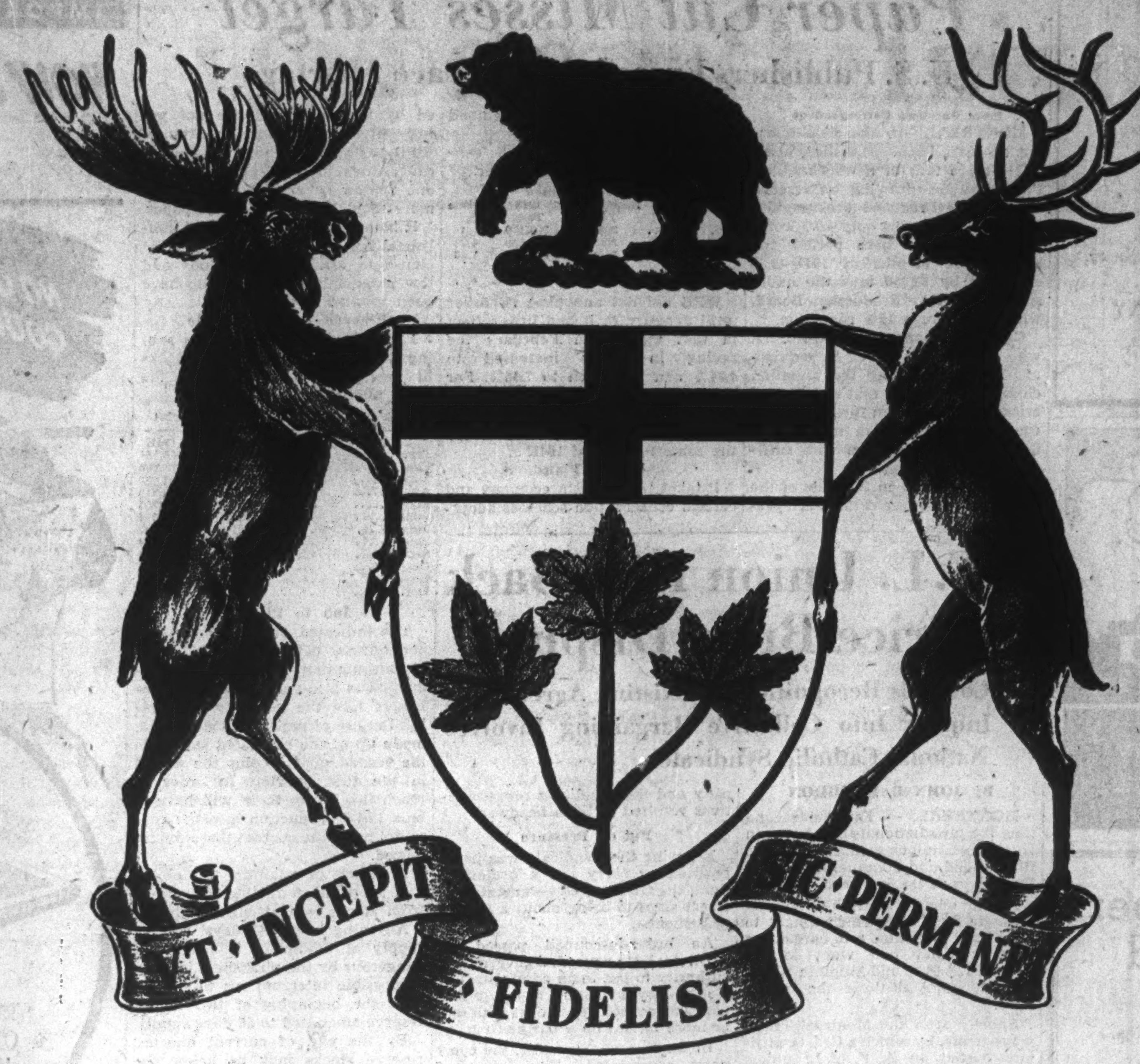
Operating Profit is Increased 13% But Net Drops 27%

Increased production and operating profits but a decline in net profits due to failure to secure better metal prices, have been the experience of Falconbridge Nickel Mines, President J. Gordon Hardy stated at the annual meeting.

Operating profits in 1942 showed an increase of 13% but net profits at 21.9 cents a share showed a decline of 27%. Dividend distributions were held to 15 cents a share compared with 20 cents in 1941 as the company is "keeping itself in shape to face the troublesome times ahead of us."

The main shaft has been deepened to 3,150 ft. depth, 1,225 ft. lower than the deepest level from which ore is being taken. Preliminary diamond drilling from the deep stations off the main shaft shows minable ore to the bottom of the shaft though of somewhat lower grade. Further surface diamond drilling of the Levack prospect is stated to reveal promise of a worthy "collaborator" with the main Falconbridge mine.

L. K. Brindley was added to the board of directors.



Come on Ontario!

ONTARIO has done well in her contribution of manpower and resources to the prosecution of the war. Ontario must do still more in providing the sinews of war, by supporting the Fourth Victory Loan to the limit of the ability of every citizen. Our men in the fighting services will give all they have. Our people on the Home Front can do no less.

The Fourth Victory Loan is your opportunity to join with the Navy, the Army, and Air Force in an all-out offensive. You cannot be there in person, but your dollars can be there for you, and will provide the materials and munitions so vital to the success of the armed forces.

The Government of Ontario is backing the Loan by the investment of $5,000,000 in the new Victory Bonds. This is Ontario's official contribution towards strengthening the hands of the Dominion Government in its tremendous task of financing the total war effort that is needed. It is the tangible pledge of the Ontario Government that it will co-operate to the fullest possible extent with the Dominion Government in the drive for final victory.

The action of the Government of Ontario is designed to give practical leadership to all the citizens of the Province, and should be an example and an inspiration to our people to accept this Fourth Victory Loan as a personal challenge to do their part to "Back the Attack" and hasten the day of Victory.

As the old Parish Rector said at the close of the remarkable film, "Mrs. Miniver", "This is the people's war! It is our war. We are the fighters. Fight it, then. Fight it with all that is in us".

We, the people of Ontario, must fight it with our dollars. Your purchases of Victory Bonds will help to send Ontario over the top again in support of our fighting men. They will do their part when the time of attack comes. We must do ours today.

G. D. CONANT,
Premier, Province of Ontario.

BUY MORE Victory BONDS!

PUBLISHED BY AUTHORITY OF THE GOVERNMENT OF THE PROVINCE OF ONTARIO

Quebec Central Prospects Good

Prospects of the Quebec Central Railway, a subsidiary of the Canadian Pacific Railway, for the current year are regarded as encouraging, according to a statement made by President W. N. Neal at the annual meeting of shareholders.

No particulars were given as to the tonnage handled, but it was reported that there was an improvement last year in practically all groups, except asbestos. The latter declined due to a falling off in overseas shipments, despite an increase in traffic to the United States. It was reported that additional markets for this commodity are developing in South America, Australia, New Zealand, Mexico, and other countries.

The annual meeting of Quebec Central Transportation Co., a highway subsidiary of the railway, was also held.

Substantial increases in earnings and number of passengers carried in 1942, compared with 1941, were reported.

Matachewan Consolidated realized a $43,736 profit (before taxes and write-offs) the three months ended March 31, 1943, compared with $27,398 the corresponding quarter of 1942.

• • •

Kewagama Gold Mines remained inactive in 1942. Current assets at Dec. 31, 1942, were $16,874 with no current liabilities.

A Good Name

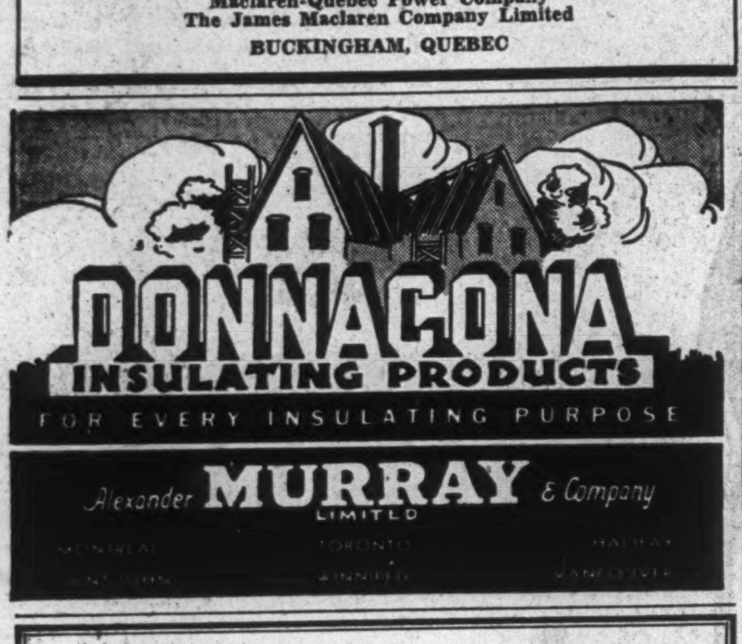
For over 70 years the name Maclaren, in the Ottawa Valley, has stood for fair dealing and a quality product.

Newsprint—Groundwood

270,000 h.p. **Hydro Power** *Installed capacity.*

MACLAREN POWER & PAPER COMPANY

Maclaren-Quebec Power Company
The James Maclaren Company Limited
BUCKINGHAM, QUEBEC



Abitibi Power & Paper Company, Limited

TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que. — Iroquois Falls, Ont.
Pine Falls, Man. — Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. — Fort William, Ont.
Port Arthur, Ont.

Newsprint

Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Paper Cut Misses Target

U. S. Publishers Exceed Quota, Face Shortage

From Our Own Correspondent

MONTREAL.—In the first quarter of 1943, U. S. publishers used 71,414 more tons of newsprint than they received, drawing on reserve stocks. They reduced consumption in the three months only 4.7% compared with the base period—the same three months of 1941—and exceeded by 39,350 tons the quota set by the War Production Board, which calls for a 10% reduction.

Canadian paper manufacturers, who supply 72% of U. S. requirements, are watching the situation closely, and predict that unless American publishers can further reduce consumption Canadian mills won't be able to supply them with sufficient newsprint.

Mill operations on this side of the border, at the present time, are predicated on an American demand 10% down from 1941.

Here are statistics on U. S. consumption for the first quarter:

U. S. Consumption

	Base Period Tons	1943 Tons	Decline %
Jan.	306,468	305,170	.4
Feb.	292,549	280,139	4.24
Mar.	344,769	319,127	7.46
1st Quarter .	943,786	904,436	4.17

WPB did not announce its order until January so it had little effect in that month. In February the saving in paper increased to 4.24% and in March to 7.46%. For the three months apparent consumption totalled 904,436 tons, or 4.17% less than the 943,786 tons used in the same months of 1941.

Lag in Plans

It takes time to plan economy and certain conservation schemes adopted by the publishers are not yet fully effective. Of more importance, WPB has authority to grant special concessions to publishers who, for one reason or another, have used more than their allotment of paper.

It is understood a number of publishers are taking advantage of the clause to ask for concessions and that practically all applications have been granted.

Reserve Stocks Decline

Failure to reach the desired saving finds reflection in the stocks of newsprint paper held by the U. S. publishers:

U. S. Publishers' Stocks of Newsprint (Tons)

	1943	1942	1941
Jan.	609,107	565,398	446,534
Feb.	597,316	592,729	435,706
Mar.	574,078	621,208	402,663
Apr.	......	605,928	392,813
May	......	599,714	390,305
June	......	616,418	400,714
July	......	622,867	449,447
Aug.	......	640,205	476,514
Sept.	......	688,308	492,743
Oct.	......	714,682	498,247
Nov.	......	683,704	512,693
Dec.	......	645,492	521,508

Job to Pick Up

The indicated saving for the second quarter of 1943 is 101,311 tons. If consumption is to balance production at mid-year, American publishers face the necessity of limiting the use of paper by 156,747 tons, made up of the estimated saving in the second quarter plus the deficit in the first quarter. In order to reach this figure there will have to be a 15.47% reduction in paper consumption in the current three-month period.

Prospects of attaining this objective are slim. A further drawdown from stocks is a strong possibility.

Anything below 45 days' reserve supply of newsprint is considered dangerous by the publishers in view of possible interruptions to supply.

At the beginning of this month reserve amounted to 56 days supply.

By the end of current quarter, reserve stocks may be below the 50-day mark.

Affecting Balance

There are no restrictions on the extent to which the publishers may dip into these stocks. But until consumption comes within the saving estimated by the WPB, a balance between supply and demand becomes increasingly uncertain.

JAMES W. SEWALL
Ruttan Block, Port Arthur, Ont.
Timber Cruises and Valuations
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER

A.F.L. Union Hits Back In Price Bros. Dispute

Compels Recognition of Existing Agreement; Inquiry Into Collective Bargaining Involves National Catholic Syndicate

By JOHN E. LANGDON

MONTREAL. — For the second time the jurisdictional fight between rival labor unions at the Kenogami, River Bend and Jonquiere plants of Price Bros. & Co., has been "settled."

Round one favored the National Catholic Syndicate which sought to have itself appointed sole bargaining agent. Round two went to the A. F. of L.'s Pulp and Sulphite Workers Union. And there the matter rests.

Shortly after the Montreal Tramways strike, by which a C. I. O. affiliate ousted an A. F. of L. union, National Catholic Syndicate called a strike at the three plants of Price Bros. & Co., one of the largest newsprint operators on the continent, to support its demand to be recognized as sole bargaining agent.

Price Bros.' management took the stand that it was not opposed to unions, but already had a contract with the A. F. of L. which was to remain in force until next fall. The company intimated it had no intention of giving in; that the mills would remain closed and "Nature could take its course." About 1,300 men went out on strike or were forced into idleness because of the dispute.

Affected Government Policy

The provincial government became concerned by the end of the first week of the strike and decided to intervene.

The National Catholic Syndicate is not strongly entrenched. It is not well financed and to lose in a major test of strength, as in the case of Price Bros. & Co., would seriously weaken this movement.

Preliminary negotiations between the provincial government, the company and the Syndicate representatives resulted in little headway.

Put on Pressure

Knowing the Syndicate was in no position to carry out a prolonged fight, the Godbout Government took direct steps to bring about a speedy settlement.

An order-in-council passed on April 14 last, gave the government authority to put in an administrator, if necessary, to compel any pulp and paper manufacturer to deal with one or more unions on a basis of parity.

In the face of this order, the company capitulated. The terms of settlement provided that a vote would have to be taken to determine which union was to be recognized as sole bargaining agent.

Premier Godbout then announced the strike was settled and the men would resume work.

He failed to reckon on the A. F. of L. which was still smarting from its defeat in the Montreal Tramways strike.

Members of the A. F. of L. Pulp and Sulphite Workers Union, all highly trained men and holding key positions, refused to return to work.

The mills continued idle, as members of the Catholic Syndicate were unable to put them back into operation.

This time the A. F. of L. union held the whip hand. Well organized, strongly financed, its members were prepared to sit it out, rather than have the Catholic Syndicate "muscle" in on their position as bargaining agents.

Favor A. F. of L.

More negotiations resulted and a new settlement was reached.

The original peace terms were abandoned in favor of a plan which provided for the appointment of a public enquiry commission to study union-management differences and report on collective labor agreements.

Meanwhile the A. F. of L. agreement is to continue in force.

The union troubles at the plants of Price Bros. & Co. have been followed closely by other Quebec employers. Where the situation assumes particular significance is that many large employers have little confidence in the National Catholic Syndicate.

Neither do they like the racial and religious emphasis which has been given to the Syndicate unions. This feeling is not confined to companies with non-French speaking or non-Catholic management. It is fairly general.

The large corporations and employers of labor prefer to deal with non-sectarian labor organizations are opposed to the mixing of sectarian beliefs with terms and conditions of employment.

The union troubles at Price Bros. plants are settled for the moment, but no one believes that jurisdictional disputes between unions have ended. The Quebec labor situation is more confused than elsewhere because provincial government legislation favors and supports collective bargaining by the majority. This more often than not means the secular French - Canadian Syndicate union. It creates a condition which may, some day, end up in a first-class row.

Courtaulds Extends Quality Control Plan

Simplification of Courtaulds Quality Controlled plan, publication of standards, and more informative labelling, have been effected by Courtaulds (Canada) Ltd.

The plan now makes public all test methods and performance specifications for rayon fabrics licensed under the plan. Up to the present, these have not been available to the mill licensee, but are now available in handbook form. This booklet enables the fabric-maker to work to required standards when he wishes to have his rayon fabrics qualify under the Courtaulds identification.

Rail Rate Helps Newsprint Firms

From Our Own Correspondent

MONTREAL.—Effective May 15, rail freight contracts on Canadian newsprint moving by rail to U. S. customers will be reduced by 6% under order of the Inter-State Commerce Commission. This will mean an average of about 50 cents a ton.

Hugh Mackenzie Gets Labatt Promotion

Hugh A. Mackenzie, general manager, John Labatt Ltd., has been made a vice-president of the company. In this capacity he will be associated with Hugh Labatt, who is senior vice-president of the London brewing company.

H. A. MACKENZIE

Mr. Mackenzie recently was on loan for one year to the Wartime Prices and Trade Board as an assistant to Donald Gordon, W.P.T.B. chairman. In that capacity he organized the Board's Division of Simplified Practice which had as its prime task elimination of business practices made non-essential by wartime operating conditions.

Loblaw Groceterias has declared an extra dividend of 12½ cents a share along with the regular quarterly of 25 cents, both payable June 1 to shareholders of record April 30. A similar extra was paid a year ago and last December.

The rest-pause that refreshes

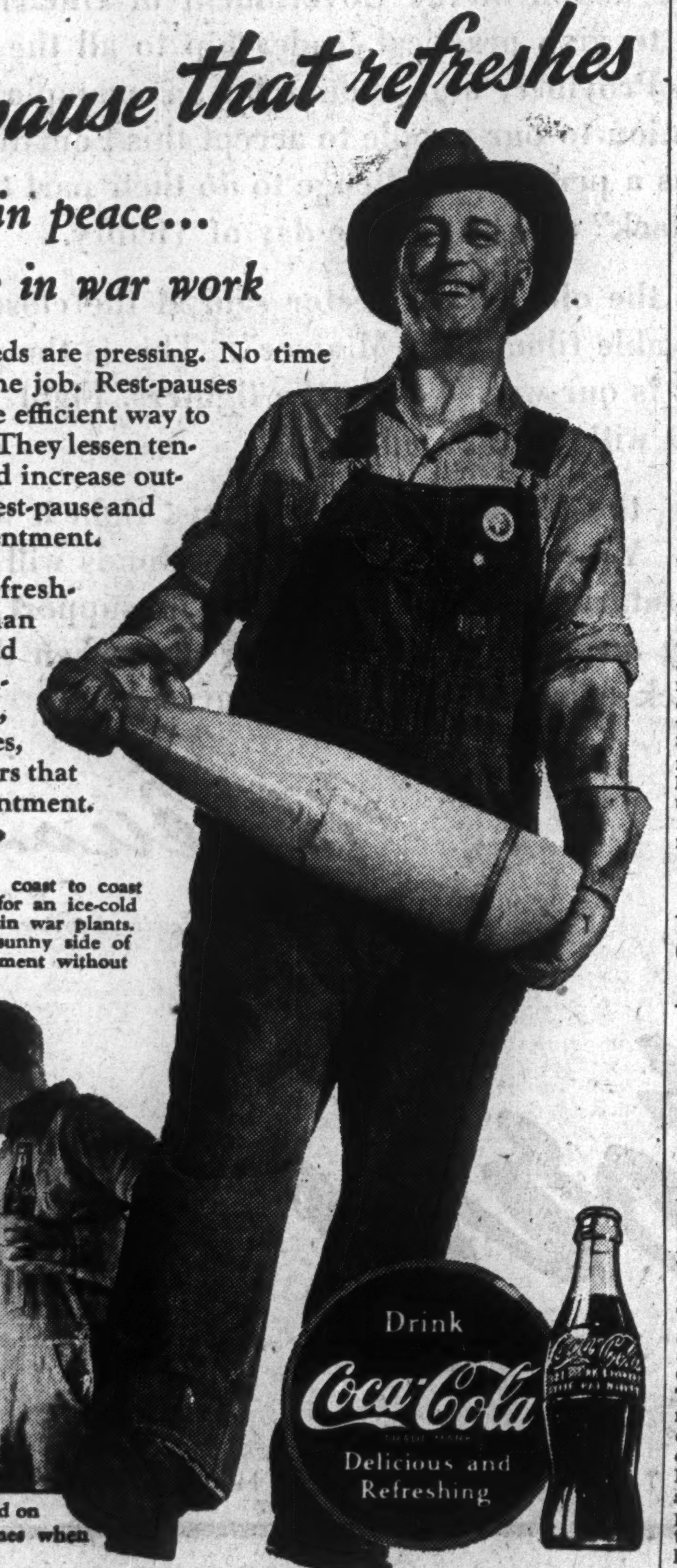
Welcome in peace... more welcome in war work

WAR production needs are pressing. No time can be wasted on the job. Rest-pauses planned and timed are the efficient way to make every minute count. They lessen tension, break monotony, and increase output. Add refreshment to a rest-pause and you promote worker-contentment.

Ice-cold Coca-Cola is refreshment that does more than quench thirst. Drink it and you feel and enjoy a refreshing after-sense. Its clean, exciting taste always pleases, never tires. Coca-Cola offers that extra something for contentment.

• • •

Letters from plant managers from coast to coast emphasize that the little moment for an ice-cold Coca-Cola means a lot to workers in war plants. It's a refreshing moment on the sunny side of things... a way to turn to refreshment without turning from work.

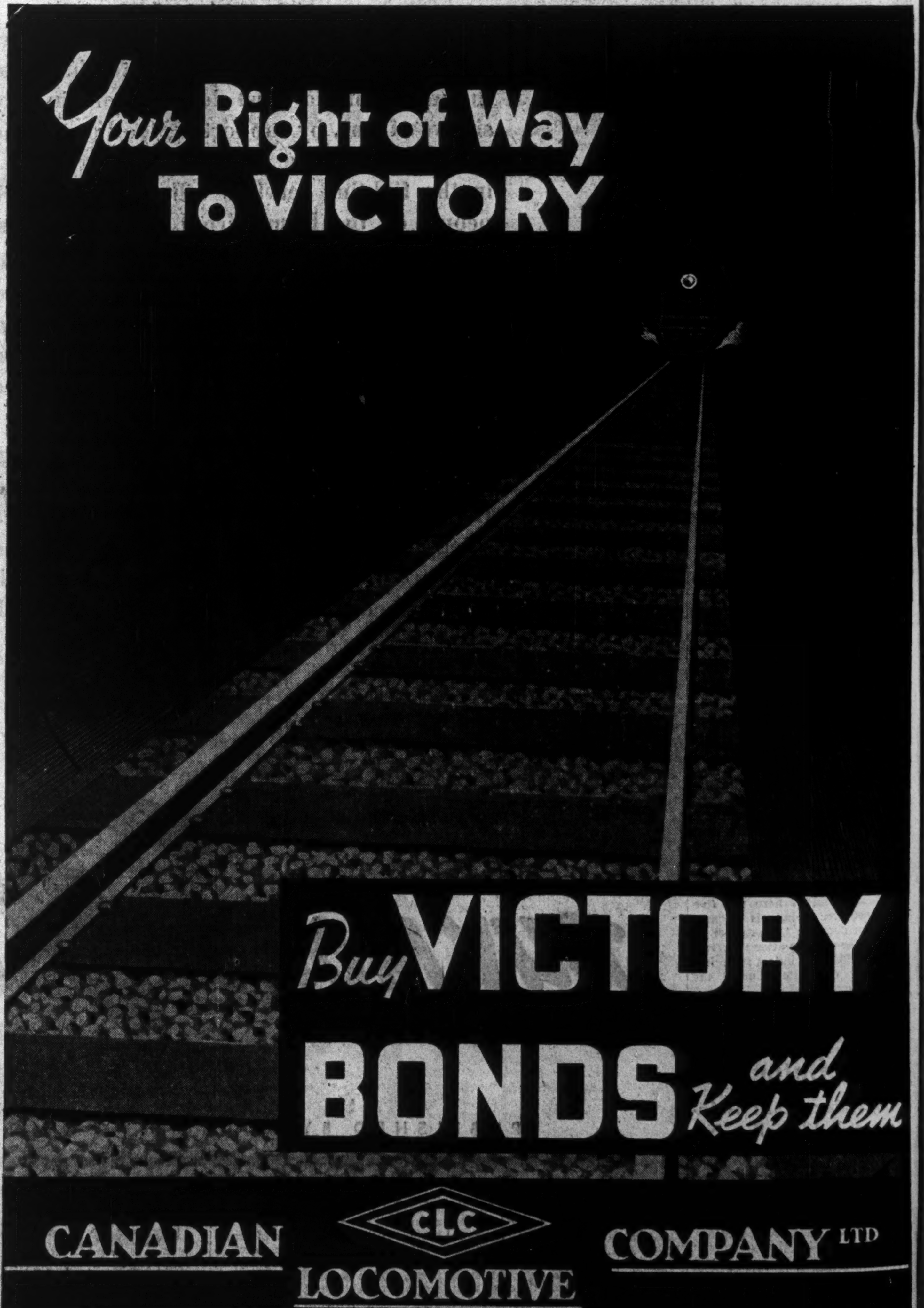


You work better when you are contented on the job. Remember, contentment comes when you connect with a Coke.

The best is always the better buy!

THE COCA-COLA COMPANY OF CANADA, LIMITED

552



Weather Delays Lake Fleet

Loss of Month From Season Threatens Ore Objective

The freighters are moving again on the Great Lakes. Iron ore and wheat is coming down the lakes, and coal and miscellaneous cargos are going back up.

Navigation is opening just a month later than in 1942, when an all-time record was established, the first freighter working into Port Arthur to take on a load of wheat on March 29.

The delay results from heavy ice jams, particularly at the foot of Lake Superior and the St. Mary's river area, and at the Welland canal end of Lake Erie. It has meant that already the 340 vessels which will devote at least a part of their 1943 season to carrying iron ore from Wisconsin and Michigan to the steel mills of Ohio, Pennsylvania and Ontario, are the equivalent of a month's requirements of iron ore behind. It will make difficult the attainment of the objective of 95 million tons of iron ore, three million tons more than 1942's previous record breaking total.

In March and April last year the combined Canadian and American Great Lakes fleets carried almost nine million tons of ore; this year it is doubtful if they handled a million tons during the same period.

Priorities in Freight

A priority system has been established on the kind and classification of freight which is to get preference in the holds of the fleet this year, as was also the case in 1942. At the top of the list among bulk cargos ranks iron ore. About 85% of all the iron ore used on this continent comes from the upper lakes region and is moved by boat to the steel mills which are grouped around the Lake Erie and Lake Ontario sections.

Fuels of various kinds get second priority. This covers coal and oil, moving in tank ships. Coal for central Canada comes almost entirely from the United States. Normally it moves across the lakes during the navigation season and is accumulated against cold weather.

Industrial coal users, the steel mills, coke ovens, manufactured gas plants and ordinary industrial plants of all kinds, also plan to bring in their supply during the navigation season.

Grain Loses Position

Wheat formerly occupied top rating among bulk cargos, particularly among Canadian shipowners. This year lighter shipments are expected, according to advices from the grain trade, due to the combination of a late opening of navigation and diversion of many grain carriers to the high priority job of carrying ore or coal. An alternative to use of the lake fleet is to continue rail shipment of grain to the east during the summer as well as in the winter months, an expensive expedient.

For all practical purposes the Canadian and United States freighters have been united in one fleet for the war emergency. This is a great contrast to prewar practices when shipping laws held close control over where and how the respective fleets could operate. Last year changes were made to permit Canadian ships to operate between two U. S. ports carrying ore.

U. S. Adds Ships

This year a number of new ships are taking part in the race to keep ahead of the steel mills in their ore requirements. U. S. Great Lakes shipyards had 15 vessels ready for delivery in April, some of them for ocean service. But April deliveries also included five large ore carriers. Eleven ore carriers remain to be delivered by midsummer. It was a new ship that established a new speed record of 5¾ days last year for a round trip between Conneaut, Ohio, and Duluth. This compares with a regular running time of 7¼ days. The 16 new freighters going into service this year will add 6.4 million tons to the fleet's seasonal capacity.

It was a Canadian vessel, the Lemoyne of the Canada Steamship Lines fleet, which established records for total tonnage carried on single trips last year. On July 29 she delivered 17,042 gross tons of iron ore at Hamilton from Superior, Wis., and again on July 19 delivered 17,776 net tons of bituminous coal at Hamilton from Ashtabula, Ohio.

Operating conditions in the lake fleet this season appear likely to feature capacity operations but higher costs for such items as fuel and labor and supplies. On the outcome of current negotiations between coal miners and operators in the United States may depend the final price for fuel this year.

Shipowners find some difficulty in securing trained crews although there has been no sign as yet of labor disputes. Under normal conditions crews of lake ships find other work in the winter and come back in the spring. This year other jobs may prove to have too great attraction for many men.

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY Adelphi

LONDON.—The Eighth Army continues to immortalize itself, which recalls a story I just heard. When Mrs. Roosevelt was over here she went to Ireland. After she had spoken somewhere, an elderly lady came up to shake hands.

"I hope your sons who are serving," said the lady, "will all come home safely."

"Have you any relatives in the war?" asked Mrs. Roosevelt.

"Yes," was the answer. "I have a son who is a soldier in the Middle East."

"May I ask your name?" said Mrs. Roosevelt as a gesture of courtesy.

"Montgomery," was the reply.

It was Lady Montgomery, the mother of the Eighth Army's Commander.

* * *

Share-the-Wealthers

The government got a bit of a jolt this week when Sir Richard Acland's "Common Wealth" party won its first by-election. Now Sir Richard will lead a party of two in the House of Commons, himself and the victor of Eddisbury.

Sir Richard was a Liberal and sat in the House with his father on the Liberal benches. The father died. Richard inherited the baronetcy and vast estates, then formed the Common Wealth party with J. B. Priestley, Edward Hulton and a few other rarefied spirits.

However it would seem that even idealists can fall out. There was a split and Sir Richard took the whole thing over. His candidates did well in by-elections. Acland undoubtedly helped them by proving his sincerity in handing over all his lands and wealth to the nation. This was regarded as a sporting action by the British public, and one that dignified the name of politics.

What is happening of course is that Common Wealth is battening on the party truce. Under the truce a Tory must replace a Tory if there is a by-election, and therefore no Socialist opposes him. There can be no doubt that Acland is securing the Socialist vote in these cases. His party cannot be more than a nuisance to the big fellows but it adds to the new formations which are preparing to challenge the sovereignty of the the old.

* * *

"Demi-semi Groups"

The effect of an all-party government under Churchill is to create a large number of semi or demi-semi independent groups. Here is the present line up in the House of Commons—

Those Tories who are in complete support of the government.

A group of 40 younger Tories led by Viscount Hinchinbrooke, who are urging a progressive policy.

A group of 25 Tories called the Active Back Benchers' Committee (or the A.B.B.s), led by Sir Herbert Williams. Their purpose is to maintain the claims of capitalism and private enterprise against all comers.

Those Socialists who are in complete support of the government.

A group of 10 or 12 Malcontents —sometimes called the Jacobins— led by Dick Stokes, a rich industrialist, and Aneurin Bevan, who wields a brilliant but poisonous pen. They are for breaking away from support of the government.

The Independent Labor Party, consisting of Jimmie Maxton, Campbell Stephens, and John McGovern. They are against the war, the Socialists, the Tories and the Liberals.

The Communist party. In other words "Willie Gallacher."

The Liberals, proper, who are in support of the government.

The National Liberals, who are in support of the government and wonder how much longer they can maintain their identity which they achieved in the split of 1931.

Sir Richard Acland and some ten independents who do not acknowledge his leadership but think along parallel lines.

Earl Winterton as a straggler. He is a Tory who has been in the House for nearly 50 years and is inclined to be very independent. He is also the only peer in his own right who sits in the Commons. That is because he is an Irish peer, and the British law ranks him as being only equal to an English commoner.

It will be seen therefore that while the facade of parliamentary unity is maintained much goes on behind the front. On the whole it is helpful and healthy. What Parliament needs is the expressing of all shades of opinion, and that is what we are getting at Westminster.

* * *

Revivals Hold Stage

As no new plays are being written, London is falling back on revivals when it is not importing American successes.

John Gielgud, our best romantic actor, put on a magnificent revival this week of Congreve's Restoration comedy, "Love for Love." What a cast! Yvonne Arnand, Leon Quartermaine, Leslie Banks, Angela Baddeley, Miles Mallison and, of course, Gielgud.

And what a play! Congreve wrote it when he was 25 years of age and it remains today the frankest and most civilized play in town. Wisely, the Lord Chamberlain, did not try and make it respectable. From beginning to end it deals with the pursuit of the female by the male and the counter pursuit of the male by the female. It is brilliant, caustic, audacious, insolent—and touched with unexpected beauty.

Through all the cuckoldry and vulgarity there runs the real love story of Valentine and Angelica like a fine melody in a mass of discords. The final result is a work of genius.

Truly a modern Rip Van Winkle waking from his sleep might wonder what year it is in London. He will find Shaw's "Doctor's Dilemma" and "Heartbreak House" (40 and 25 years old respectively), "The Merry Widow," "The Belle of New York," "A Month in the Country" (150 years old) and now "Love for Love" (more than 150 years old.)

LOGISTICS

Logistics, the third branch of military science, is the supplying of everything necessary to strategy and tactics— in the right amount, at the right place, at the right time.

Practice Logistics on the home front by investing in Victory Bonds to the *highest possible amount*, at any place where they are sold. Right now . . . Buy Victory Bonds.

INTERNATIONAL BUSINESS MACHINES

Banking Service

1817-1943

BANK of NEW SOUTH WALES

Head Office: Sydney, Australia

General Manager: SIR ALFRED DAVIDSON, K.B.E.

Assets of £164 millions. Branches throughout Australia, New Zealand & Pacific Islands.

London Offices at 29 Threadneedle St., E.C.2. and 47 Berkeley Square, W.1.

Agency arrangements with Banks throughout the World.

WRITE YOUR CHEQUE and buy VICTORY BONDS

YOUR money on deposit at the Bank is yours to do with as you please.

Draw a cheque—make it as large as you feel you can possibly afford—and use it to buy Victory Bonds.

This is not only a patriotic service, it is sound business. There can be no question as to the safety of your investment in Victory Bonds. Canada itself, with all its resources, is your assurance of repayment, with interest.

But do not stop there. When you have bought all the Victory Bonds you can for cash, buy more, and pay for them out of your weekly or monthly earnings.

Should you require assistance in purchasing Victory Bonds, this Bank will arrange to make you a loan, repayable over a period of six months, at the same rate of interest as the Bond pays you.

Buy with your savings . . . buy out of earnings . . . buy Victory Bonds to the limit of your resources.

THE DOMINION BANK

C. H. CARLISLE, President — ROBERT RAE, General Manager

We Manufacture Envelopes for every purpose

Barber-Ellis of Canada, Limited

TORONTO - BRANTFORD

BRANCHES FROM COAST TO COAST

BRITISH COLUMBIA POWER CORPORATION

LIMITED

and Subsidiaries

OFFICERS

W. G. Murrin .... *President* — A. T. Goward .... *Vice-President*

E. H. Adams, *Vice-Pres. and Treasurer* — J. A. Brice .... *Secretary*

DIRECTORS:

E. H. Adams, John Davidson, S. Godin, Jr., A. T. Goward, J. H. Gundy, Andrew P. Holt, George Kidd, H. R. MacMillan, W. G. Murrin, A. J. Nesbitt, J. W. Spencer, Austin C. Taylor, P. A. Thomson, Morris W. Wilson, J. B. Woodyatt

CONSOLIDATED BALANCE SHEET

as at December 31, 1942

ASSETS

Current and Working Assets:			
Cash at Banks and on hand		$ 1,223,046.85	
Dominion of Canada bonds and City of Vancouver debentures, at cost (Quoted market value—$1,412,852.19)		1,421,690.40	
Accounts Receivable less Reserve		2,368,325.93	
Employees' Housing Loans, Mortgages, etc.		41,969.08	
Inventories of Stores, Materials and Supplies, determined as to quantities by book inventories confirmed annually by physical count or measurement, valued at average cost		1,682,173.80	
			$ 6,737,206.06
Investments:			
Corporation's shares purchased by subsidiaries for re-sale to customers and employees (Quoted market value December 31, 1942—$367,099.55)			666,530.77
Bond Refunding Expense:			
Premium and exchange on bonds redeemed, bond conversion expenses and discounts, less amounts written off			1,185,043.09
Deferred Charges:			
Insurance unexpired, deferred regulatory commission expenses, and other prepaid items			394,838.86
Estimated Recoverable Proportion of Excess Profits Tax (per contra)			270,000.00
Property Account:			
Book values which represent the cost of acquisition, and the cost of subsequent additions, including discount on bonds of $728,670.56 which is charged to construction accounts of subsidiaries		$147,314,720.89	
Less Provision for Depreciation and Renewals		33,669,203.10	
			$113,645,517.79
			$122,899,137.26

Note: An appraisal of the properties of British Columbia Power Corporation Limited and its subsidiaries, made by Stone & Webster Engineering Corporation of Boston, Massachusetts, as of December 31, 1936, shows a total replacement cost as at that date (after a deduction for existing physical depreciation) of $131,802,312. This foregoing total includes an amount of $15,000,000 for going concern value. The balance in the Property Account as at December 31, 1936, after deducting the reserve for depreciation, was $113,739,799.32.

LIABILITIES

Current and Accrued Liabilities:			
Accounts Payable		$ 1,766,386.21	
Reserve for Taxes on Income and other Taxes (After a prepayment of $1,892,424.00 on 1942 Taxes on Income)		2,363,868.23	
Debenture and Bond Interest accrued		497,958.16	
Dividends declared, since paid		735,920.00	
			$ 5,362,832.60
Bond Debt			37,160,624.50
Capital Stocks of Subsidiaries Held by Public:			
British Columbia Electric Railway Co. Ltd.— 5% Cumulative Perpetual Preference Stock, £1,440,000.0.0 at $4.85		$ 6,984,000.00	
British Columbia Electric Power & Gas Co. Ltd.— 6% Cumulative Preference Shares		5,000,000.00	
The Company has the right to redeem these 6% Preference Shares with a premium of 5% subject to the sanction of the Supreme Court of British Columbia.			
Minority Shareholders of Subsidiaries		3,446.25	
			11,987,446.25
Reserves:			
General, Contingent and Accident			1,500,100.08
Estimated Recoverable Proportion of Excess Profits Tax (per contra)			270,000.00
Capital:			
Authorized— 1,500,000 Class "A" Shares without nominal or par value entitled in each fiscal year to non-cumulative preferential dividends aggregating $2.00 per share and equal participation with Class "B" Shares up to a further $3.00 per share, redeemable at any time on resolution of Directors at $100.00 per share. 1,500,000 Class "B" Shares without nominal or par value.			
Issued— 1,000,000 Class "A" Shares and 1,000,000 Class "B" Shares issued for a total cash consideration of		$59,250,000.00	
Capital Surplus:			
Surpluses of Subsidiaries as at May 19, 1928, the date of the acquisition of their Capital Stocks by the Corporation		6,115,764.59	
Earned Surplus:			
Balance as at January 1, 1942	$ 1,168,513.19		
Add— Balance transferred from Consolidated Income Account	83,856.05		
		1,252,369.24	
			66,618,133.83
			$122,899,137.26

Approved on Behalf of the Board: W. G. MURRIN, Director. J. W. SPENCER, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of British Columbia Power Corporation Limited and its Subsidiary Companies for the year ending December 31, 1942, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Consolidated Balance Sheet at December 31, 1942, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Corporation and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

Vancouver, B.C., March 23, 1943.

PRICE, WATERHOUSE & CO., Chartered Accountants.

CONSOLIDATED INCOME ACCOUNT

for the Year Ending December 31, 1942

Gross Revenue from Operations		$ 21,652,474.98
Deduct— Expenses:		
Operation and Maintenance, including Property Taxes	$ 10,456,653.47	
Legal Fees and Executive Remuneration	95,197.45	
Directors' Fees	22,150.00	
Provision for Accidents	90,000.00	
Provision for Depreciation and Renewals	2,744,161.89	
Provision for Taxes on Income (including $270,000.00 representing Estimated Recoverable Proportion of Excess Profit Tax for the period from July 1 to December 31, 1942)	3,995,600.00	
		17,403,762.81
Operating Income		$ 4,248,712.17
Add— Income from Investments	$ 44,973.80	
Less— Loss on Sale of Investments	10,000.00	
		34,973.80
		$ 4,283,685.97
Deduct—		
Interest on Bond Debt	$ 1,504,898.56	
Bond Refunding Expenses written off	73,091.36	
		1,577,989.92
		$ 2,705,696.05
Deduct— Dividends on Preference Stock of Subsidiaries:		
5% Cumulative Perpetual Preference Stock—£72,000.0.0 at $4.47	$ 321,840.00	
6% Cumulative Preference Shares	300,000.00	
		621,840.00
		$ 2,083,856.05
Deduct— Dividends on Class "A" Shares for the year ending December 31, 1942		2,000,000.00
Balance transferred to Earned Surplus Account		$ 83,856.05

We of Dofasco . . .

Come the first of May, twenty-six hundred Dofasco folk will snip off coupon number one from their third Victory Loan Bonds, to say nothing of the coupons that are regularly being clipped from previous issues. Our May day cry is going to be: "Mother, where are the scissors?"

You will not find many of us cashing in our bonds. We have loaned our money to the government for the purpose of winning this war, and we mean to stick with our bargain. In line with most Canadians, we of Dofasco are digging deep and sharing the burden of financing the war effort. We have demonstrated clearly that we are fully conscious of our responsibility as good citizens. We are aware, too, of the need to save part of today's earnings as a security against what might come after Victory is won. We are learning more and more that it is good business to invest part of our income and let it work for us.

We are going to buy our full quota of the Fourth Loan, because that's the way we do things at the Dofasco plant. In fact, we will do our utmost for every loan our government sees the need to issue.

Our money is earning interest for us and we like it. We are experiencing the thrill of saving. We have learned that the wonderful feeling of having put a few dollars safely away more than offsets the self-denial necessary in adjusting our budgets. We are fast becoming a family of coupon clippers.

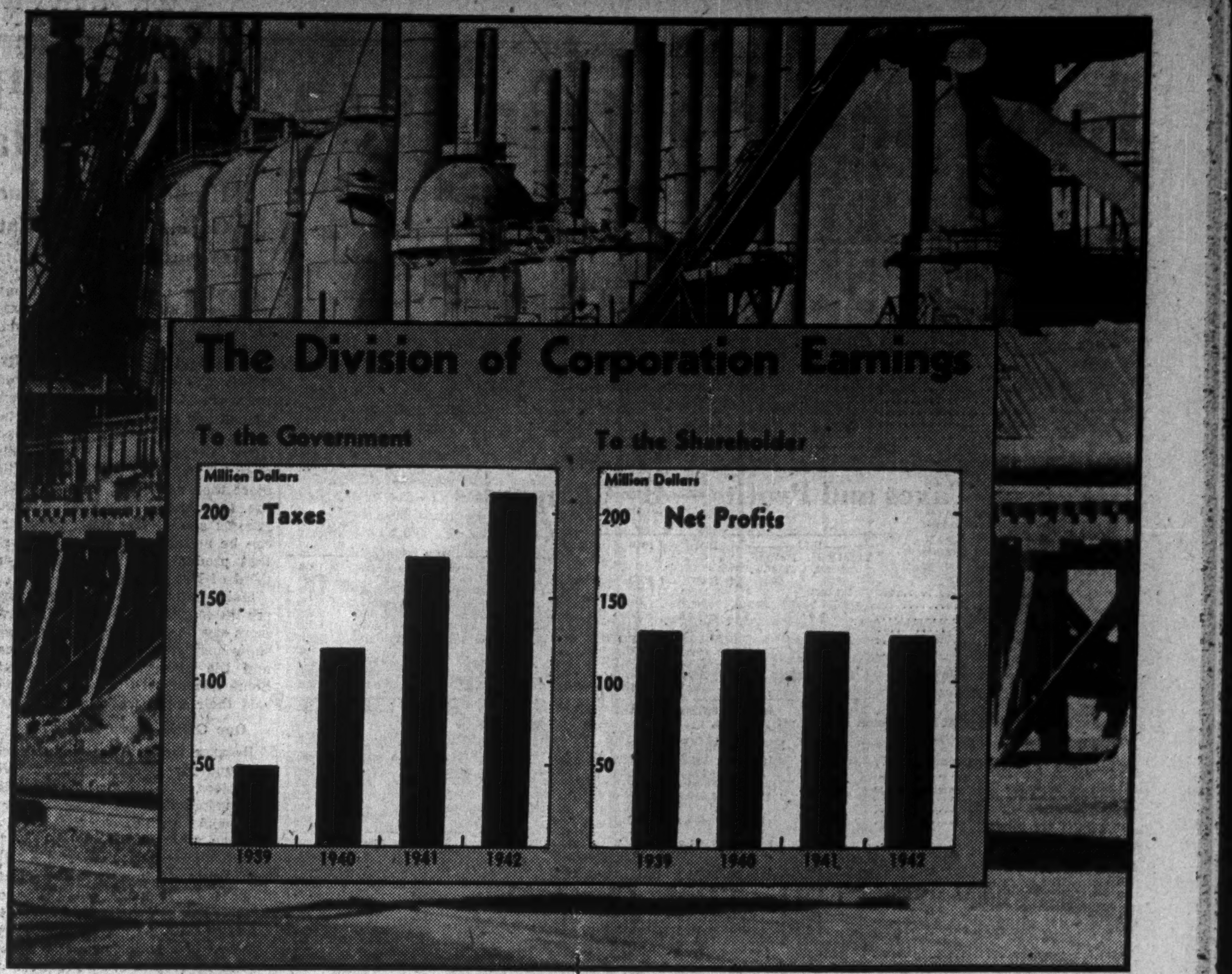
Buy VICTORY BONDS and keep them

DOMINION FOUNDRIES & STEEL LIMITED, HAMILTON, CANADA

THE FINANCIAL POST

Canada's Foremost Business Newspaper

Toronto, May 1, 1943



Taxes Gain 330% in Three Years While Profits Show Drop of 3%

Financial Post Survey of 127 Canadian Companies Shows Drop in Net Profits for Shareholder While National Income Rises 63% and Production Doubles

By ARTHUR D. ELLWOOD

Taxes on corporation income have more than kept pace with increased earnings, it is indicated by a Financial Post study of 127 companies whose annual reports have appeared since the beginning of 1943.

Comparing 1942 with 1939, there is a decrease in net profits — the amount of earnings retained by this large group of companies for their shareholders—amounting to 2.6%. By contrast, taxes on corporate income during this same period have risen by 330.2%.

Last year Canadian companies, as measured by this large sample, paid out $37.6 millions, or 21.2% more in taxes than they retained in net profits. Even if the refundable portion of excess profits tax, amounting to $10.4 millions for those in the group specifying the amount set aside for this account, is deducted from taxes and added to net profits, the total is $15.8 millions below the net amount of income taxes paid.

Net Profits Drop Behind

1942 AGAINST 1941

		%
Net profits	down	3.5
Dividends	up	2.0
Taxes	up	20.9
National income	up	15.4
Production	up	34.2

1942 AGAINST 1939

Net profits	down	2.6
Dividends	down	3.0
Taxes	up	330.2
National income	up	63.0
Production	up	102.3

Taxes and profits based on Post study of 127 companies; production and dividends based on December indexes.

Refundable E. P. T.

The refundable portion is not always handled in the same way by companies, a fact making comparisons difficult. Some include this refundable tax as a part of the year's profits but the majority regard it as just another tax. They know they will get it back sometime in the future, but they can make no estimate of when it will be returned, nor can they tell what the specific sum of money they will receive will be worth when it is returned, in terms of the goods it will buy.

For 1943, refundable E. P. T. will bulk much larger than it does this year, when this tax only applied from July 1, last.

Wartime trend of profits has not been very consistent. Comparing 1942 with 1939, there is a drop of 2.6%, but 1942's total is 3.5% lower than that of 1941 and 3.3% higher than in 1940. Taxes, on the other hand have shown a regular rise each year.

Taxes Control Gains

Main purpose of an excess profits tax is to capture the wartime gains in profits. Argument in favor of such a tax, as explained by Finance Minister Ilsley, is to divert to government use gains in earnings which result from business stimulation provided by war orders.

In this it appears that Canada's tax setup has been effective. It has certainly prevented any gain in the participation of shareholders in the earnings.

How the shareholders of this group of companies are faring in the wartime stimulation in Canada's economy is made clear by a comparison of net profits with changes in national income, or with the new production index published by The Financial Post.

The index of production, using the annual index, rose 102.3% from 106.1 for 1939 to 214.7 for 1942. Comparing 1942 with 1941, there is a gain of 34.2%, from 160.0 to 214.7.

But net profits declined 2.6% from 1939 to 1942 and 3.5% from 1941 to 1942.

National income is a somewhat controversial subject in Canada and revised figures are being prepared. But using the estimates of national income as prepared by the Dominion Bureau of Statistics, there has been a rise from $4.6 billions in 1939 to $7.5 billions last year, or 63.0%.

Dividends Also Lower

Measured by dividends paid, perhaps a more accurate way of determining how the investor who owns the businesses fared, the comparative showing is even less favorable for profits. The Nesbitt, Thomson index of dividend payments in Canada has dropped 3.0% from Dec., 1939, to Dec., 1942. If a comparison with Jan., 1939, is made, the drop is more than 11%.

This index makes no attempt to measure the real income of investors from their dividends but only the trend of actual payments. It does not take into account the heavy slice of these dividends which is again taken by personal income taxes.

The only conclusion from these statistics is that the investor's share of the national income has failed to keep pace with growth in the gross amount available. His share has been subordinated, as it should be, to the greater national need, but it does appear that in this case the tendency to place the national requirements first has been enforced more severely than in other directions such as wages and the income of primary producers.

Four Groups Gain

The tabulation of 127 companies in this study has been divided into 12 groups, corresponding as closely as possible to industrial classifications. This shows that not all groups have experienced the same changes. Of the 12, four—iron and steel, merchandising, pulp and paper and textiles — have been able to make progress during the war period. The others all reported lower net profits in 1942 than they did in 1939.

The groups showing larger profits have all participated in the wartime activity to a greater than average extent.

In the iron and steel group plant expansion has been marked. Each war year has seen the share of net profits retained by the companies in this group grow. But the growth from 1941 to 1942 was very small, suggesting that peak operations may have been reached and that 1943 will show little if any further gain.

A Depressed Group

Largest gain of all has been shown by the pulp and paper group although here 1942's net is well under that of 1941. Explanation is simple in this case and it does not actually represent nearly so much stimulation from the war as it does improvement from an extremely depressed condition prevailing prior to the war.

This is shown by the fact that only the companies in this industry turning out specialty products, containers, and paper boxes made any provision for refundable E. P. T. in 1942. The large newsprint producers which are responsible for the impressive gains shown in this industry started from such a depressed basis that they are all being allowed special consideration by the board of referees.

Merchandising has been an indirect beneficiary from the war, at least to date. In this case it results from the much higher spending power, particularly in the large proportion of Canadians who did not previously enjoy an adequate income. Factory men have money to spend now on a wide variety of merchandise, which has helped to boost sales volumes to new peaks and permitted retailers to show excellent earnings results. Whether this will continue throughout 1943 is not at all clear, in view of increasing difficulty in securing merchandise to supply the civilian.

Textiles Do Well

Only other group to show gains over the four-year period is textiles and this industry ranks as almost as much of a war industry as do companies making actual munitions. Large orders for textiles for uniforms and for the multitude of other military uses have meant that these companies have worked at top speed almost since the war started.

They have also benefitted from heavy civilian demand, their output being limited chiefly by ability to secure labor and machines.

Public utilities and construction have practically held their own, the decline in the first case being 1% and in the second 2%. Here again it is directly due to war that this comparatively good showing has been possible. Utilities have been called upon to deliver all the power they can generate and have been hard pushed to keep up with the demands of industry.

Transportation units have had to press all available equipment into use to carry the passengers demanding transportation, both urban and interurban, while freight loads have multiplied tremendously. Construction companies have been working at top speed building new factories, power plants, roads, airfields and housing.

Beverages have gained chiefly from the larger incomes available for spending by civilians. Their operations have been limited by rationing of materials. Recent steps to curtail production and consumption of alcoholic beverages will become more noticeable in their effects on 1943 profits.

Oil Companies Hit Hard

Hardest hit by the war, as measured by trend of profits, has been the oil refining and distributing industry. Each year has seen this group's profits drop. In this case the war is responsible. It has brought rationing of civilian gasoline consumption and great difficulties in maintaining supplies of crude oil.

It has meant a complete change in emphasis on products, with motor gasoline, which used to dominate the picture, taking a back seat to fuel oils and aviation gasoline. The war has not been easy on the oil companies, although bringing them almost unlimited demand for their products.

Foodstuffs have been hit second hardest as measured here. In this case the group is dominated by baking concerns and here price controls have meant lowered profit margins while shortages of help, and in some cases of materials, have meant trouble in producing all that could have been sold.

Actually 1942 was the best of the war years for this group and 1940 the worst, suggesting that the hardest part of the adjustment to wartime conditions may have been mastered.

Metals Under Control

The metals group, in this case consisting of only three companies, Aluminium Ltd., Consolidated Mining & Smelting and International Nickel, has an experience somewhat different from most. Pressure to turn out ever-increasing quantities of metals has been unending. But sales have been under strict price ceilings and for such metals as copper, lead and zinc have been at levels practically unchanged from prewar.

Thus it is only the tremendous volume of output that has permitted such companies to carry on and maintain their profits reasonably close to 1939's levels in the face of mounting costs.

Most noticeable in the metals group is the tendency to establish heavy reserves out of profits. Aluminium, for example, set aside $46.9 millions for depreciation in 1942, compared with $17.3 millions in 1941. In the latter year $4 millions was set aside as a reserve against inventories. Consolidated Smelters and International Nickel have also been allowed to write off wartime plants at a rapid rate. The result is that wartime profits are lowered, but as much of these reserves do not mean cash outlays, liquid strength is built up.

SUMMARY OF TAX AND PROFIT CHANGES

	Taxes			Net Profits		
	1942 over 1941 %	1942 over 1940 %	1942 over 1939 %	1942 over 1941 %	1942 over 1940 %	1942 over 1939 %
Banks	+ 28.7	+ 29.3	+102.5	— 5.5	— 5.7	—11.1
Beverages	+ 42.5	+ 13.0	+387.0	— 5.5	+17.8	— 0.6
Construction	+ 35.5	+ 86.5	+403.7	+ 5.9	+22.4	— 2.1
Foodstuffs	+ 69.4	+129.5	+271.4	+12.1	+13.4	—15.2
Iron and Steel	+ 52.8	+187.6	+893.5	+ 0.1	+18.4	+23.5
Merchandising	+125.5	+266.2	+652.4	+ 2.0	+14.1	+22.9
Metals	— 0.2	+ 37.8	+272.3	— 4.6	+ 4.8	— 3.5
Miscellaneous	+ 27.1	+113.3	+293.9	— 8.7	— 2.0	— 6.4
Oil refining	— 11.8	+ 32.6	+155.4	— 8.1	—18.5	—29.9
Public utilities	+ 41.2	+ 95.3	+288.0	+ 3.6	10.2	— 0.2
Pulp and paper	— 37.0	+ 1.3	+682.8	—15.8	— 4.7	+82.7
Textiles	+ 36.3	+139.1	+626.7	— 2.2	+23.2	+ 3.3
Totals, 127 companies	+ 20.9	+ 77.6	+330.2	— 3.5	+ 3.3	— 2.6

The question of wartime reserves is important in any study of profit trends, although how to measure them exactly is difficult to determine. Inventory reserves, contingency reserves, higher depreciation and just plain postwar reserves are common, and justifiable devices, if industry is to have the strength needed to convert back to peacetime work when the time comes. The oil companies, for example, have set aside heavy inventory reserves. G. Harrison Smith, president of Imperial Oil, stated in his recent annual report that this company's inventory reserves now total more than 20% of total inventories.

The conclusion must be that actual stated net profits do not always measure the entire picture. There is the question of special reserves to consider as well as refundable E. P. T. Even if all these are included, however, it is unlikely that profits would show any over-all growth during wartime.

For an itemized account of taxes, profits and refundable taxes, by companies and industries, please turn to page 12.

Here's What Runaway Inflation is Like

Canadians Buy Victory Bonds, Pay Big Taxes, Submit to Economic Controls to Escape This

You could live better on a handful of U. S. nickels than on a $75,000 mortgage when the German inflation really began to hit its stride. E. G. Dentay, who lived through the worst inflation in history, describes the evolution of that economic epidemic of the 1920's. Violent inflation of this type is not regarded as probable for Canada, but a review of the German experience is most valuable as a corrective to complacency. The author, onetime head of a very large business enterprise in Europe, is now a manufacturer in Canada.

By E. G. DENTAY

The majority of Canadians have never witnessed an out-and-out inflation and have probably forgotten the newspaper reports which they read about far-away countries twenty years ago. The writer of these lines lived in Central Europe and experienced personally the most disastrous inflation known to economic history.

There was the case of the Dresden woman who had an income from the United States of a little over $4 a month. By having it delivered to her all in nickels, she was able to live in one of the best apartment suites in the city and entertain on a lavish scale.

Another man supported himself comfortably on the proceeds of a dozen gold cigarette cases through two years of inflation. Skilful bargaining and the possession of assets that could be sold abroad commanded a totally disproportionate premium. The seeds of social unrest were firmly planted during the period.

The depreciation of the mark started right after the outbreak of hostilities in the summer of 1914. But throughout the war, and even for some time following the Armistice, the process of devaluation as shown by internal price rises, and by higher quotations for dollar exchange, was comparatively slow. By the fall of 1918, German prices had risen to about 240% of their prewar level—the value of the dollar in terms of paper marks to 160% of parity.

Up to the signing of the Treaty of Versailles, that is, in the nine months following the Armistice, inflation still continued at a comparatively moderate, if slightly accelerated, pace. By July, 1919, domestic prices were up to 3½ times prewar, and the dollar-rate somewhat higher. This development, modest as it was in comparison to the later phases of the inflation, entailed serious hardships for several groups of the population.

Most immediately affected were naturally those who held money, or titles to money. Due to the reduced purchasing power of the mark, savings accounts, insurance policies, pension claims, etc., had by this time invisibly lost more than three-quarters of their value. In the later phase of the inflation, the holder of a 300,000 mark first mortgage—a substantial citizen—could just about buy a street-car ticket for the whole sum of the mortgage by the time it was repaid.

Those who owned farms, manufacturing equipment, or stocks of goods, had a natural hedge against inflation. Nevertheless, even the price rise of these real assets could, in many cases, not safeguard their owners against inflationary losses.

Landlords for example, were impoverished because special laws prevented them from raising rents, so that their income did not suffice to pay for the upkeep of their houses.

Lack of Adjustment

The public, brought up on the unshakeable belief in the stability of money, stuck to the axiom that 1 mark equals 1 mark and laid the blame for high prices at the doors of speculators, Jews, Socialists, the English and the French. Small merchants were, for the greater part, unable to see through the surface and failed to adjust their prices to costs. It was considered "profiteering" and below the moral standards of a reputable shopkeeper to increase the price of goods in his store, even if the wholesale price had risen to a much higher level in the meantime.

Bigger business, with its wider horizons grasped the novel situation much sooner. Manufacturers and large wholesale houses discovered that they had to figure their costs in some stable currency instead of in marks, or base their accounting on replacement prices of the day. Retailers did not follow suit for a long time. You could go into any small Berlin store and be told by the owner that the price of these particular socks on the upper shelf was 1.50 mark a pair, but that the ones on the lower shelf (absolutely identical in make, size, color and quality) sold twice as high because the shop got them in at a later date, and consequently at higher cost.

The socks he was selling at M. 1.50 had cost the merchant M. 1.00, the pairs he priced at M. 3.00 had cost him M. 2.00. He seemed to make 50% on each lot, the same margin that used to be more than sufficient to cover expenditures and yield a net profit. The rub was that by the time he sold the first lot, wholesale prices had risen to M. 2.00, so that the 150 marks received in payment for the first 100 pairs could buy only 75 pairs in replacement, leaving him with lower stocks and no profit. Thousands of small merchants found their shelves gradually depleted this way and had to close up shop without ever understanding how a succession of substantial money profits managed to land them in ruin.

Brought Inequality

Insight into the working of the inflationary mechanism diffused very gradually, starting at the top of the economic pyramid and reaching the bottom layers last. Inflation, even in its early phase was instrumental in bringing about inequality and social injustice.

Much worse was to come. Seven months more of uncertainty and financial drifting brought a further increase of the dollar rate and of internal prices. The inflation proceeded in these seven months at a much higher speed than before, but the everfaster accelerating last spurt did not get under way before the fall of 1921—after a temporary respite of a year and a half.

The two years between the autumns of 1921 and 1923 witnessed a devaluation of the German mark, unparalleled by anything else in monetary history. In the 12 months following Aug., 1921, domestic prices went up five-fold—the dollar-rate six-fold. It did not take more than three months for the dollar-rate to make a similar jump again. A greater rise in three months than in the previous 12! The following three months repeated exactly the same development. By Jan., 1923, the dollar cost 40,000 mark against a normal rate of 4.20. In the following months, a last desperate effort of the German Government slowed the inflation down temporarily, but by the summer of 1923 the situation got entirely out of hand.

One month, (Aug., 1923) sent prices up seven-fold and the one week ending Sept. 11 marked further increases of the same magnitude. In the week ending Oct. 23, prices increased 14-fold. The rate of the dollar, as well as prices of goods, doubled sometimes in the course of one single day—a depreciation comparable in size to that suffered during all the four years of the war!

This ever-increasing speed was the most characteristic feature of the last phase of the German inflation. Not only did prices keep on rising—they rose faster and faster all the time. The reason was this: During the war, the public, totally unaware of the inflationary threat, restricted its spending in response to patriotic propaganda. A substantial part of the new money paid out by the government was tucked away in savings.

Only a small fraction of the freshly printed bills appeared on the market; the greater part went into the reservoir of pockets, stockings, safes and bank deposits. This process was most welcome to the German Government because it offset the actual inflationary pressure. Additional money does not bid up prices until spent. The temporary freezing of most of the newly-

(Continued on page 12)

Inflation in Germany was an economic factor throughout World War I but the real drive upward in prices did not get under way until the immediate postwar days. First to be hit were the small merchants and landlords, who were bound either by laws or lack of understanding of what was happening. The situation opened many avenues for the unscrupulous trader and speculator, resulted in buying panics and social injustices. As the inflation fever spread, savings started to come out of the banks to add another powerful impetus to the drive and shoot prices sky-high. The German lesson is a powerful one that underlines the importance of our Victory Loans as an anti-inflation weapon.

Life With Inflation

It Happened Exactly Twenty Years Ago

The sort of thing Canadians are today fighting with their taxes and Victory Loans was in full swing in Germany 20 years ago. These clippings from news reports of the day give an inkling of what uncontrolled inflation is really like.

April 23, 1923—"A buyers' panic set in. There was a rush of buyers for all classes of goods, with the expected result of a further rise in prices."

May 16, 1923—"The dollar went to 46,000 today. Dealers are keeping back large quantities of fats for higher prices. Shortening has doubled in price."

June 1, 1923—"The dollar reached 77,000 marks. The public is putting its money into iron and steel companies' shares, as giving it a faint hold on something that may not—like money—melt away in the night. Enormous fortunes have been made by those holding iron and steel shares." "Prices in retail shops are rising literally 'while you wait'."

June 19, 1923—"Butchers are closing several days a week. There was an attack on the Town Hall because the market stalls would only sell new potatoes at 26,000 marks per lb., lard is 20,000 marks per lb.—representing half a day's pay."

July 5, 1923—"Metal workers are striking. They were offered 9,000 marks, equalling 3 cents per hour. The bus fare is 1,500 marks, equalling ½ cent."

July 22, 1923—(The Daily Mail correspondent) "I found today that one had to pay 24,000 marks for a ham sandwich, whereas yesterday in the same cafe a ham sandwich cost only 14,000 marks."

July 25, 1923—"For weeks the National Bank has been able to supply the commercial banks with nothing but dumpy packets of 20,000 mark notes—two million marks in a packet (value of the whole packet was less than $4.00). Imagine paying for one's dinner with half a dozen packets of paper, each as large as a Bible."

July 26, 1923—"This morning motor lorries loaded with paper money kept on arriving at the bank, but messengers with handcarts were also there to take away the bundles of notes passed out by the Bank."

July 29, 1923—"Prices in the shops are typewritten and posted hourly. For instance, a gramophone at 10 a.m. was five million marks, but at 3 p.m. it was twelve million. A copy of the Daily Mail cost 35,000 marks yesterday but 60,000 today."

Taxes and Profits in 1942

Taxes and Profits — By Industries

	Taxes 1942 Total incl. refund.	1942 Refund. E.P.T.	Taxes 1941	Taxes 1940	Taxes 1939	Net Profits 1942	Net Profits 1941	Net Profits 1940	Net Profits 1939
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Banks	10,453.6	312.3	8,120.1	8,084.2	5,169.1	13,385.4	13,112.9	13,138.9	13,757.2
Beverages	4,388.6	298.0	3,084.0	1,848.3	901.0	3,304.5	3,486.5	2,803.5	3,362.2
Construction	2,285.2	148.8	1,686.4	1,224.7	453.7	1,324.6	1,250.3	1,082.0	1,354.9
Foodstuffs	1,836.3	289.4	1,083.5	799.7	494.4	1,603.7	1,431.0	1,413.7	1,890.8
Iron & steel	43,794.7	3,900.3	28,638.4	15,226.5	4,407.9	18,488.5	18,468.6	15,610.3	14,961.2
Merchandising	7,250.5	577.6	3,214.7	1,979.2	966.3	3,560.3	3,489.2	3,120.2	2,895.7
Metals	63,266.7	1,055.4	63,395.4	45,894.3	17,261.8	59,831.5	62,570.4	57,069.1	61,986.9
Miscellaneous	20,288.6	1,243.9	15,966.4	9,508.9	4,060.1	17,679.7	19,210.3	18,032.3	18,807.0
Oil refining	13,994.1	103.6	15,656.0	10,548.6	5,477.6	18,843.6	20,369.8	22,245.0	24,484.7
Public utilities	32,039.2	1,922.5	22,678.2	16,394.9	8,256.2	27,759.2	26,807.2	25,198.0	27,812.5
Pulp & paper	3,973.2	158.5	5,444.2	3,921.1	507.8	4,367.2	5,057.4	4,567.6	2,390.5
Textiles	6,708.8	563.2	4,919.9	2,931.0	922.8	3,557.7	3,636.7	2,887.3	3,444.8
Totals, 127 companies	**210,279.5**	**10,378.4**	**173,887.2**	**118,336.4**	**48,878.7**	**172,765.9**	**178,890.3**	**167,176.9**	**177,148.4**

Taxes and Profits — By Companies

	Taxes 1942 Total incl. refund.	1942 Refund. E.P.T.	Taxes 1941	Taxes 1940	Taxes 1939	*Net Profits 1942	Net Profits 1941	Net Profits 1940	Net Profits 1939
	$000	$000	$000	$000	$000	$000	$000	$000	$000
BANKS									
Bank of Montreal	2,539.9	72.4	2,342.9	1,827.6	1,207.8	2,783.0	2,537.0	2,959.3	2,962.4
Royal Bank of Canada	2,014.2	34.8	1,892.2	1,823.9	1,204.4	2,675.1	2,810.9	3,004.3	3,174.8
Candn. Bank of Commerce	1,426.0	15.6	1,655.3	1,664.2	1,073.5	2,327.3	2,400.1	2,392.8	2,431.7
Bank of Nova Scotia	1,357.8	70.1	1,061.9	1,004.6	559.1	1,400.3	1,480.6	1,491.3	1,593.3
Bank of Toronto	1,098.6	60.5	602.9	566.5	329.8	964.7	1,121.6	1,044.5	1,124.2
Imperial Bank of Canada	933.2	5.2	504.5	487.8	325.0	686.1	722.1	711.0	866.2
The Dominion Bank	537.2	15.9	449.0	370.1	264.2	865.9	704.3	723.7	614.7
Banque Canadienne Nationale	333.9	....	251.6	233.3	189.3	651.8	668.3	658.6	693.1
Provincial Bank of Canada	186.8	6.6	149.2	145.6	110.3	231.0	241.1	241.0	296.8
Total 9 banks	**10,453.6**	**312.3**	**8,120.1**	**8,084.2**	**5,169.1**	**13,385.4**	**13,112.9**	**13,138.9**	**13,757.2**
*After all deductions including amount written off premises.									
BEVERAGES									
Associated Breweries of Canada	1,107.6	86.3	659.7	536.0	210.1	522.5	591.8	542.0	567.0
Blue Top Brewing Co.	289.7	27.0	191.0	162.3	52.3	151.8	176.0	115.8	209.1
Melchers Distilliers, Ltd.	159.2	9.2	90.0	60.0	20.4	130.3	86.9	85.8	77.0
National Breweries	2,001.0	124.0	1,650.0	800.0	395.0	1,975.9	2,028.2	1,495.5	1,817.0
Orange Crush, Limited	1.1	....	0.1	16.5	8.5	—26.0	—5.2	41.0	40.1
Canada Malting Co. Ltd.	830.0	51.5	493.2	273.5	214.7	550.0	608.4	523.4	652.0
Total 6 companies	**4,388.6**	**298.0**	**3,084.0**	**1,848.3**	**901.0**	**3,304.5**	**3,486.5**	**2,803.5**	**3,362.2**
CONSTRUCTION									
Building Products Ltd.	638.0	51.9	495.0	440.0	100.0	425.0	475.7	413.8	487.5
Candn. Dredge & Dock Co. Ltd.	70.0	....	....	....	40.9	109.4	—14.0	—12.5	145.0
Conduits National Co. Ltd.	121.3	9.2	168.6	58.6	17.5	81.3	115.8	72.2	93.8
Dominion Tar & Chemical Co. Ltd.	1,428.8	86.5	996.3	714.1	295.3	684.3	643.3	587.2	629.6
Standard Clay Products, Ltd.	27.1	1.2	26.5	12.0	....	24.6	29.5	21.3	—1.0
Total 5 companies	**2,285.2**	**148.8**	**1,686.4**	**1,224.7**	**453.7**	**1,324.6**	**1,250.3**	**1,082.0**	**1,354.9**
FOODSTUFFS									
Barker's Bread, Ltd.	18.4	....	4.5	1.1	12.2	25.9	—8.1	0.5	61.3
Canada Starch Co. Ltd.	239.0	....	267.5	177.7	97.0	290.0	325.0	349.8	346.5
Consol. Bakeries of Canada Ltd.	179.3	....	152.3	114.4	89.5	313.0	207.5	223.4	398.7
Viau Limited	173.8	17.5	58.2	70.6	26.4	93.8	98.1	58.1	85.5
George Weston, Limited	1,078.5	71.9	426.0	298.9	203.2	698.7	616.0	579.4	699.0
Wilsil Limited	147.3	....	175.0	137.0	66.1	182.3	192.5	202.5	299.8
Total 6 companies	**1,836.3**	**289.4**	**1,083.5**	**799.7**	**494.4**	**1,603.7**	**1,431.0**	**1,413.7**	**1,890.8**
IRON AND STEEL									
Amalgamated Electric Corp. Ltd.	185.5	15.0	109.8	51.9	13.6	108.4	105.5	79.8	56.5
Bertram & Sons	1,840.0	202.1	1,340.0	523.3	19.0	254.2	385.1	131.3	55.6
Burlington Steel Co. Ltd.	275.9	22.4	133.0	95.0	31.6	159.7	151.3	130.7	110.7
Canada Foundries & Forgings, Ltd.	835.0	88.0	386.0	199.6	27.0	174.9	147.3	105.0	104.9
Canada Iron Foundries, Ltd.	248.6	19.4	470.0	332.0	61.0	404.2	491.4	518.4	367.0
Canada Wire & Cable Co. Ltd.	2,285.4	220.8	2,170.1	1,089.0	187.0	870.4	1,043.1	743.1	690.8
Canadian Bronze Co. Ltd.	400.6	30.4	263.0	120.0	70.0	249.5	281.1	187.7	267.4
Canadian Fairbanks-Morse Co. Ltd.	1,435.7	146.5	1,356.4	553.5	35.3	350.8	465.5	196.6	153.6
Canadian General Electric Co. Ltd.	6,045.0	545.0	6,600.0	3,004.9	412.2	1,782.4	2,479.5	2,308.0	2,150.0
Canadian Locomotive Co. Ltd.	887.0	102.0	133.0	101.6	....	66.8	155.5	28.3	—147.8
Canadian Westinghouse Co. Ltd.	4,755.0	475.0	3,450.0	1,558.0	163.0	1,537.7	1,418.3	1,203.3	829.1
Dominion Engineering Works Ltd.	3,659.6	372.7	995.0	530.0	....	1,398.1	290.6	209.8	—127.5
Easy Washing Machine Co. Ltd.	23.5	2.3	47.0	21.3	6.5	27.9	32.4	25.3	25.0
Enamel & Heating Products Ltd.	54.5	3.2	22.0	1.2	0.3	—58.1	26.8	3.6	0.3
English Electric Co. of Can. Ltd.	80.0	....	80.0	125.0	20.0	107.7	107.1	126.7	75.0
Ford Motor Co. of Canada Ltd.	5,500.0	465.0	2,110.0	1,950.8	640.7	3,219.2	3,279.6	2,584.3	3,012.5
General Steel Wares, Ltd.	1,175.6	94.3	440.0	289.5	137.5	598.9	555.7	435.5	628.2
Hamilton Bridge Co. Ltd.	640.8	56.0	401.7	127.2	....	188.7	195.0	164.3	—82.7
International Metal Industries Ltd.	1,343.7	95.2	880.0	475.0	329.0	611.7	881.6	878.3	765.4
Mitchell, Robert, Co. Ltd.	2,408.8	264.3	1,570.7	209.8	....	344.6	384.6	148.0	—23.1
Modern Containers Ltd.	178.0	19.8	132.6	61.1	15.8	85.3	67.3	54.3	63.4
Page-Hersey Tubes, Ltd.	1,012.3	64.1	1,547.3	625.3	283.1	943.4	917.4	942.0	1,126.5
Sangamo Co. Ltd.	100.0	2.5	125.0	145.0	55.0	105.6	143.0	127.6	172.3
Sarnia Bridge Co. Ltd.	61.3	5.9	76.8	21.5	0.6	34.4	24.2	14.1	3.5
Steel Co. of Canada, Ltd.	8,362.9	587.3	3,520.0	3,005.0	1,899.5	4,805.9	4,439.7	4,264.3	4,686.6
Total 25 companies	**43,794.7**	**3,900.3**	**28,638.4**	**15,226.5**	**4,407.9**	**18,488.5**	**18,468.6**	**15,610.3**	**14,961.2**
MERCHANDISING									
Dominion Stores Ltd.	285.0	15.0	130.8	56.8	....	301.3	170.0	100.8	—125.3
Fanny Farmer Candy Shops, Inc.	2,275.0	174.0	720.0	384.0	234.0	797.8	977.8	976.9	960.4
Great West Saddlery Co. Ltd.	158.0	13.2	60.5	33.0	12.8	81.2	57.8	48.9	48.4
Holt, Renfrew & Co.	67.1	0.5	83.0	55.0	15.0	94.2	112.6	101.9	63.7
Simpsons Limited	3,079.1	268.9	1,228.0	831.0	448.0	1,041.1	1,072.2	927.5	1,004.3
Stedman Bros. Ltd.	468.5	36.8	345.0	230.0	103.0	316.5	303.5	274.6	341.6
Tamblyn, G., Ltd.	222.8	18.4	137.4	74.4	23.4	143.0	130.7	129.7	122.7
Western Grocers Ltd.	145.0	4.0	120.0	105.0	70.0	411.8	291.9	269.6	226.7
Zeller's Ltd.	550.0	60.0	390.0	210.0	60.1	373.4	372.7	290.3	253.2
Total 9 companies	**7,250.5**	**577.6**	**3,214.7**	**1,979.2**	**966.3**	**3,560.3**	**3,489.2**	**3,120.2**	**2,895.7**
METALS									
Aluminium Ltd.	31,387.4	224.4	31,416.6	20,563.6	3,659.7	14,928.1	16,014.1	12,462.2	15,799.9
Consolidated Mining	6,800.0	231.0	5,650.0	4,200.0	2,280.0	12,201.6	12,199.9	9,062.2	9,339.6
International Nickel	25,079.3	600.0	26,328.8	21,130.7	11,322.1	32,701.8	34,356.4	35,544.7	36,847.4
Total 3 companies	**63,266.7**	**1,055.4**	**63,395.4**	**45,894.3**	**17,261.8**	**59,831.5**	**62,570.4**	**57,069.1**	**61,986.9**
MISCELLANEOUS									
Asbestos Corp. Ltd.	560.0	....	455.0	235.0	260.0	919.6	746.8	724.8	929.8
Ault & Wiborg Co. of Canada, Ltd.	146.3	4.9	145.8	83.2	46.1	195.9	226.3	162.0	203.4
Canadian Industries Ltd.	3,581.0	60.7	3,985.9	3,563.0	1,421.3	4,550.1	5,385.4	5,396.1	6,232.1
Canada Steamship Lines, Ltd.	3,490.0	356.0	2,800.0	780.0	85.0	1,549.0	1,551.5	956.4	277.1
Crown Cork & Seal Co., Ltd.	339.1	25.2	255.2	172.7	67.7	227.1	302.8	243.2	278.2
Crow's Nest Pass Coal Co., Ltd.	383.4	28.2	341.7	146.8	35.5	308.2	319.1	307.1	164.1
Famous Players Candn. Corp. Ltd.	1,550.7	140.0	900.0	592.5	237.6	1,276.7	1,161.9	998.5	889.7
Fleet Aircraft Ltd.	186.1	10.0	148.5	176.4	5.6	206.0	185.3	133.0	—22.7
Imperial Tobacco Co. of Can. Ltd.	4,592.5	248.4	2,995.4	2,130.2	971.5	5,796.7	5,968.4	6,202.7	6,500.3
Industrial Acceptance Corp. Ltd.	136.9	....	191.6	142.9	63.5	181.8	280.9	253.9	353.0
Intercolonial Coal Co., Ltd.	30.6	....	34.1	36.8	9.4	47.2	49.8	69.1	52.2
International Bronze Powders Ltd.	325.4	14.1	681.8	327.7	131.1	257.5	525.6	372.2	393.9
Lang, John A., & Sons Ltd.	127.0	....	100.0	73.4	57.0	190.4	144.0	142.2	225.5
Langley's Ltd.	14.0	....	11.9	4.8	....	23.9	23.9	8.9	—11.2
Moore Corporation, Ltd.	4,407.3	334.9	2,576.0	888.7	503.4	1,486.9	1,790.6	1,786.8	1,681.8
Reliance Grain Co. Ltd.	284.5	18.4	228.0	85.2	135.1	294.3	367.9	143.4	518.3
Simon, H., & Sons, Ltd.	48.8	3.1	35.0	26.0	10.0	45.3	50.4	38.8	46.9
United Amusement Corp., Ltd.	85.0	....	80.5	43.6	20.3	123.1	120.7	93.7	94.6
Total 18 companies	**20,288.6**	**1,243.9**	**15,966.4**	**9,508.9**	**4,060.1**	**17,679.7**	**19,210.3**	**18,032.3**	**18,807.0**
OIL REFINING									
British American Oil Co. Ltd.	2,617.3	....	2,637.9	1,735.7	832.8	2,856.3	2,911.2	3,084.9	3,438.5
Canadian Oil Companies, Ltd.	315.0	....	365.0	180.0	117.0	340.2	377.9	370.5	452.2
Imperial Oil, Ltd.	9,518.3	....	11,221.1	7,962.9	4,157.5	14,663.1	16,144.0	17,638.7	19,250.0
McColl-Frontenac Oil Co. Ltd.	1,440.0	94.6	1,360.0	*630.0	337.6	872.3	852.2	1,057.5	1,265.7
North Star Oil Ltd.	103.5	9.0	72.0	40.0	32.7	111.7	84.5	93.4	78.3
Total 5 companies	**13,994.1**	**103.6**	**15,656.0**	**10,548.6**	**5,477.6**	**18,843.6**	**20,369.8**	**22,245.0**	**24,484.7**
*11 months.									
PUBLIC UTILITIES									
Anglo-Canadian Telephone Co.	0.5	....	15.7	22.0	11.8	552.3	587.7	585.4	590.7
Bell Telephone Co. of Canada	8,899.0	709.0	6,242.0	3,483.0	1,186.2	7,346.7	7,302.9	6,890.5	6,509.4
Calgary Power Co., Ltd.	305.9	....	257.1	213.0	129.4	434.8	368.6	368.5	508.6
Canada Northern Power Corp.	498.7	....	577.9	402.0	256.5	774.6	628.4	771.1	1,140.5
Canadian Light & Power Co.	24.9	0.6	28.0	17.9	....	31.7	34.2	33.2	42.6
Canadian Marconi Co.	550.0	54.0	300.0	220.0	45.0	329.9	272.2	273.7	233.0
Gatineau Power Co.	2,146.8	130.9	1,457.6	1,195.1	423.3	1,963.2	2,054.6	2,161.2	2,483.3
Maritime Telegraph & Telephone	645.1	49.4	460.0	397.7	230.0	519.4	474.8	437.1	436.9
Montreal Light, Heat & Power	8,572.0	270.0	7,117.8	5,925.7	3,824.1	8,401.8	8,451.6	7,947.0	9,003.0
Ottawa Electric Railway Co.	625.0	63.6	251.0	190.0	32.2	170.4	154.0	100.2	124.4
Ottawa Light, Heat & Power Co.	134.5	....	111.4	112.5	57.9	217.1	149.6	176.7	234.5
Provincial Transport Co.	154.7	74.4	269.6	136.0	33.0	188.6	154.4	140.3	155.5
Quebec Power Co.	495.9	16.8	412.0	463.0	158.0	577.7	577.6	523.1	627.7
Quebec Telephone & Power Corp.	15.6	....	9.3	5.9	4.9	24.2	12.3	13.3	17.3
Saguenay Power Co., Ltd.	1,617.9	94.3	1,195.7	850.9	304.6	1,422.8	1,271.2	1,262.5	1,302.9
Shawinigan Water & Power Co.	4,691.1	432.7	2,116.0	1,340.0	419.0	2,532.8	2,320.2	2,064.9	2,304.8
West Kootenay Power & Light Co.	1,221.3	26.6	1,140.2	882.6	610.6	1,520.8	1,590.2	1,285.5	1,639.4
Winnipeg Electric Co.	840.3	....	716.9	537.6	529.7	*750.4	*402.7	363.8	458.0
Total 18 companies	**32,039.2**	**1,922.5**	**22,678.2**	**16,394.9**	**8,256.2**	**27,759.2**	**26,807.2**	**25,198.0**	**27,812.5**
*Before allowing interest on series B bonds.									
PULP AND PAPER									
Bathurst Power & Paper Co. Ltd.	501.4	....	612.3	504.4	16.2	750.1	918.4	786.7	81.1
Consolidated Paper Corp. Ltd.	167.0	....	640.0	407.7	....	396.3	880.2	874.5	....
Corrugated Paper Box Co. Ltd.	213.6	18.8	94.6	44.4	23.5	105.4	102.9	56.2	59.5
Donnacona Paper Co., Ltd.	115.5	....	78.7	69.9	2.2	105.8	104.6	129.6	8.9
Great Lakes Paper Co., Ltd.	475.0	12.0	480.0	400.0	64.0	579.9	453.1	318.2	236.9
Hinde & Dauch Paper Co. of Canada	516.8	32.3	635.0	300.0	60.0	497.4	500.3	415.5	298.8
Howard Smith Paper Mills Ltd.	1,442.2	88.9	2,334.0	1,794.6	300.3	1,134.2	1,272.8	1,134.9	1,447.1
Lake St. John Power & Paper Co.	120.0	....	50.0	61.0	....	124.9	104.0	112.1	....
Rolland Paper Co., Ltd.	121.7	6.5	174.6	72.1	41.6	158.3	175.5	161.7	196.2
St. Lawrence Paper Mills Co., Ltd.	300.0	....	325.0	267.0	....	514.9	545.6	578.2	62.0
Total 10 companies	**3,973.2**	**158.5**	**5,444.2**	**3,921.1**	**507.8**	**4,367.2**	**5,057.4**	**4,567.6**	**2,390.5**
TEXTILE									
Acme Glove Works Ltd.	114.2	8.9	53.8	30.1	0.7	78.1	65.8	55.9	3.4
Canadian Celanese Ltd.	2,710.0	225.0	1,800.0	765.0	445.0	1,747.3	1,975.4	1,463.8	1,998.9
Celtic Knitting Co. Ltd.	6.1	0.5	1.3	3.6	0.3	9.2	6.8	12.6	6.1
Cosmos Imperial Mills Ltd.	173.4	9.4	351.6	340.5	53.0	207.0	230.2	210.3	214.8
Hamilton Cotton Co., Ltd.	95.0	....	359.5	329.5	26.5	143.3	135.7	137.9	100.1
Mercury Mills, Ltd.	177.9	12.8	100.0	104.0	27.9	56.1	65.6	61.4	35.4
Monarch Knitting Co., Ltd.	151.0	10.4	75.0	107.0	30.1	126.5	72.2	46.8	93.0
Montreal Cottons Ltd.	1,627.0	148.0	1,290.0	533.0	164.0	487.3	514.7	344.3	522.4
Penman's Ltd.	805.0	70.0	590.0	500.0	125.0	376.6	358.4	357.3	328.2
Regent Knitting Mills, Ltd.	178.4	14.9	38.0	63.3	10.3	112.3	54.4	115.5	43.5
Tooke Bros., Ltd.	120.8	11.3	29.7	15.0	....	53.7	43.4	26.0	....
Woods Manufacturing Co. Ltd.	550.0	52.0	231.0	140.0	40.0	160.3	114.1	55.5	99.0
Total 13 companies	**6,708.8**	**563.2**	**4,919.9**	**2,931.0**	**922.8**	**3,557.7**	**3,636.7**	**2,887.3**	**3,444.8**

Maple Syrup Supply Drops to Half 1942

Higher Costs of Fuel and Labor and $2.75 a Gallon Ceiling Cause Farmers to Reduce Output

Canadians will have to get along with about half as much maple syrup as in 1942, according to unofficial estimates of 1943 production.

The output is never large. In 1942, which was an exceptionally good year, in Ontario, Quebec, New Brunswick and Nova Scotia, total production of maple syrup (and sugar in terms of syrup) was a little over 3.2 million gallons or a little more than one quart per capita for the Dominion. This year current guesses and at this time, estimates can be nothing more than that, are that production will be half to a third of last year.

Main reasons given for the slump are the low ceiling price, which farmers say does not cover costs, deep snow hampering work in the woods, and the high price of cordwood. Some farmers are reported to have sold their sugar trees for fuel.

One Gallon From Four Trees

Because the industry is composed of hundreds of small, unorganized operators, statistics are not available. But information gathered by The Financial Post indicates that it takes the sap from about four trees (40 gallons) and about four and a half man-hours of labor, exclusive of cutting wood, to make one gallon of syrup. Estimating farm labor at 40 cents an hour, probably a low figure, the cost of a gallon of maple syrup would be around $1.80 exclusive of cutting wood. Allowing 30 cents for the cost of wood consumed in making one gallon of syrup and we have a cost of $2.10 a gallon at the evaporating plant. The Wartime Prices and Trade Board has set a price of $2.75 a gallon to the farmer. This leaves 65 cents a gallon over wages and fuel costs, out of which the farmer pays for his equipment, makes necessary repairs, supplies transportation in the woods, cost of land, trees, etc. It is claimed it is not nearly enough. In any case, reports from sugar-making districts indicate farmers have been unwilling to make syrup in the same proportion as other years.

Deliveries Lighter

Deliveries to the larger consuming centres have been much lighter than usual. One wholesaler in Toronto reports that last year at this time he had handled about 2,000 gallons. This year he has had 24. Others report having had information that many farmers were cutting their production to one third of last year. In one Quebec city a grocer is reported to have allowed only one pint to a customer.

Some wholesalers are looking for relief later in the season as supplies sometimes come from unexpected sources after the first burst of interest dies down.

Western Grain Has Bond Plan

Propose Exchanging 6% Bonds With New 5% Issue Plus Cash

A plan to eliminate interest arrears of Western Grain Co. 6% first mortgage bonds will be considered at a bondholders' meeting in Winnipeg, June 15. Arrears currently amount to $24 per $100 bonds.

The plan calls for issuance of $2,640,000 Series B 5% bonds to be dated July 2 and mature July 2, 1963. The present first mortgage bonds were scheduled to mature Jan. 2, 1949. Holders of the present 6% bonds would get $120 in the new bonds plus $4 in cash for each $100 principal amount of bonds now held.

Under the terms of the proposed agreement the company will make an annual payment to the trustee of $75,000 for sinking fund purposes in connection with the Series B bonds. This payment, however, is subject to the provision that the company, through such payment, would not reduce its net working capital below $1 million. No dividends would be paid on the capital stock if the bonds were in arrears as to interest or sinking fund requirements or if such dividends reduced net working capital below $1 million.

It is also provided that any of the temporary storage bins erected by the company at various country points and Fort William to meet the war and grain situation may be disposed of by the company without reference to the bond trustee regardless of whether or not such temporary buildings had been erected on part of the specifically mortgaged premises.

Could Inflation Happen Here?

(Continued from page 11)

created money into savings did not annul the inflation however — it merely postponed it. Inactive bank accounts are inflation asleep—awakening came with a vengeance as soon as the public started to realize what was afoot.

Buying Flood Starts

After prices had kept on rising for several years, people gradually came to the conclusion that this process was going to continue and started to use their resources for buying commodities ahead of requirements.

Like spring rains, aggravated by simultaneous thaw, the flood of steadily forthcoming new government money was increased by the suddenly released spending stream of hitherto inactive savings accounts and money hoards. This marked the point when inflation got into a phase of hopeless self-acceleration. The faster everyone tried to rid himself of his money holdings in an attempt to acquire any tangible assets, he could lay his hands on, the faster rose the price of everything. The accelerated price rise induced people to an even intensified "flight from the mark," and so on. It was the case of mad dog chasing its tail in circles.

By the time the dog toppled over, terrible damage had been caused. The German middle-class: officials, officers, judges, teachers, doctors, artists, pensioners, were ruined. Holders of government bonds and 70 billion gold marks' worth of industrial debentures and real estate mortgages, lost everything. German big business emerged more powerful than ever but only at the cost of millions of small individual enterprises.

Some Clean Up

A handful of clever and unscrupulous speculators, who hit upon the trick of riding the storm that swept their country, made fortunes and lived profligate lives, increasing the hatred and bitterness of the starving masses.

The plight of the population was terrible. The food situation may be illustrated by the fact that hog killings fell in a single year (from 1921 to 1922) by 30%, and horse slaughterings rose during the same time by 60%. In the third quarter of 1923, 6,430 dogs were slaughtered, but only 841 a year later, the first year of stabilized currency.

Imports of such foodstuffs as oranges, lemons, dates, bananas, etc., fell to less than 1% of peacetime figures. A generation of rickety children grew up on account of improper diet during the inflation. Tuberculosis increased considerably but was reduced again soon after monetary conditions returned to normal. Criminal statistics have shown increases in crime of 50% and more. Health and morals of the country were equally undermined.

There is no necessity to see anything like a repetition of the German inflation on this continent. The sight of a crumpled automobile may, however, help to warn the driver nearing a dangerous crossing.

Yendall to Speak On Radio Program

William R. Yendall, president of Richards-Wilcox Canadian Co., London, and author of a recent book, "The Canadian Problem," will speak May 16 from Montreal on the radio programme, "Wake up America." This is a weekly programme of NBC's blue network and Mr. Yendale is the first Canadian to participate.

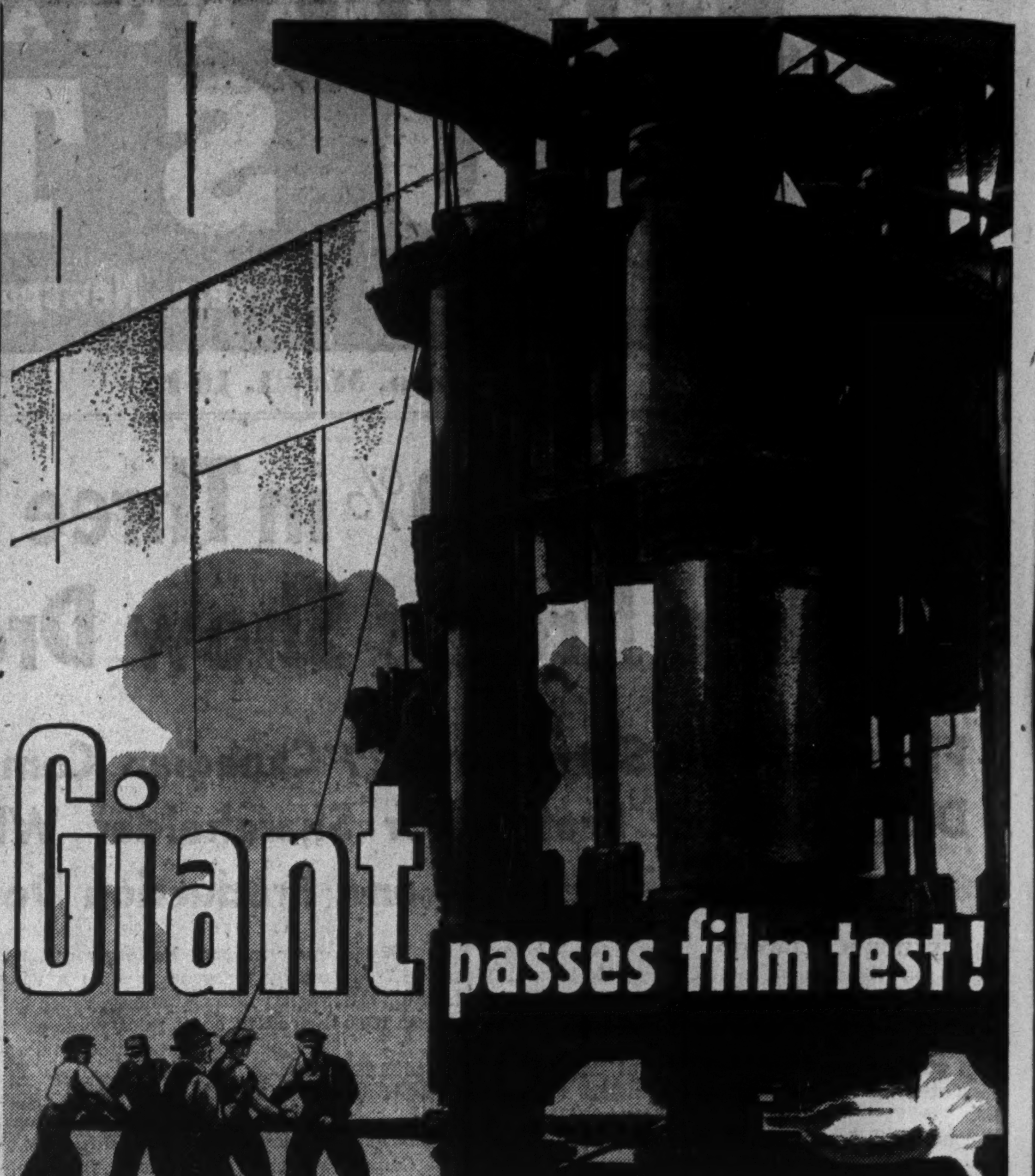
Taking part at the same time will be R. E. Desvernines, New York lawyer and former president of Crucible Steel Co., and Fred G. Clark, permanent moderator of the programme, which is being broadcast from Canada at the invitation of the Postwar Study Committee of the Association of Canadian Advertisers.

Paper Mill Operations In U. S. Remain Steady

American paper mills operated at 89.9% of capacity during the week of April 17, or approximately the same ratio as has been reported for several weeks past, according to returns compiled by the American Paper and Pulp Association.

For all of February the mills reporting showed an operating ratio of 89.3% of six-day capacity, as against 102.9% for the same month last year.

The New Zealand Insurance Co. of Auckland, N.Z., has been licensed by the Dominion Department of Insurance to write fire, automobile and casualty insurance. G. W. Hadrill of Montreal has been appointed chief agent for Canada. Mr. Hadrill is a director of Muir, Beddall (Canada) Ltd., Canadian managers for the Legal & General Assurance Society of London. The New Zealand Insurance Co. was established in 1859 and does business on a world-wide scale. It has operated in the United States for some years. Total premium income in 1942 was reported at over £2 millions.



HERE IS POWER. Power that thunders down in ten-ton wallops to shape the tools of war. In the place of hundreds of men laboriously hammering for days on end . . . this giant strikes a few times and the job is done.

Yet the power of this huge forging hammer —and of all the complex machines on Canada's industrial front—must be guarded by a thin sheath of oil, a sturdy *film of lubricating oil.* Without this protective film, the giant would lie idle and helpless . . . its mighty mechanical muscles burned or eaten away by *friction.*

Whether your particular war job calls for the smashing power of giant hammers or the deft touch of delicate machinery, you have an ever-changing lubrication problem —and our specialists can help you keep on top of it. In Canada's greatest refineries and test laboratories, we are solving wartime lubrication problems by the thousand. Can we help you?

IMPERIAL PRODUCTS

IMPERIAL OIL LIMITED

The right oil or grease for every mechanical operation . . . the scientific answer to every lubrication problem.

Mr. Tait wouldn't wait!

MR. TAIT is a patriotic Canadian. If you told him he was sabotaging the war effort he'd be highly incensed. But, like many another thoughtless user of long distance, he has a habit of picking up his office telephone, telling the operator to put through a long distance call and then going away from his desk. When the connection is made he can't be found! The result is delay, annoyance, expense and—worst of all—the unnecessary tieing up of telephone lines and equipment that might be needed for vitally important war messages. When *you* find it necessary to make a long distance call, please remain within reach of your telephone until the call is completed.

THE TRANS-CANADA TELEPHONE SYSTEM

TRANS-CANADA TELEPHONE SYSTEM

THE BELL TELEPHONE COMPANY OF CANADA

We Have Been Asked . . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

Income Tax

Sickness Insurance

I am just recovering from an illness, the immediate cost of which will be approximately $350. I have sickness insurance which covers the full amount.

Is the money received on my sickness insurance contract to be considered as part of my 1943 income and taxed accordingly

The cost of the illness will exceed 5% of my income by about $175. Can I claim this amount as a deduction from my income for income tax purposes in view of the fact that it is covered by insurance.

—

No the insurance money you receive is in the nature of indemnity, not part of your income, and not taxable.

It is believed you could still claim the excessive medical expenses as a deduction from your income for tax purposes.

Charitable Donations

How can a taxpayer prove to the income tax assessor that he has paid a certain sum to charities?

—

It is necessary to submit a receipt showing the amount of the payments. The charities must be recognized charities. Charitable gifts to individuals are not allowed.

Defers Cashing Coupons

What is the position, regarding income tax, of a man who, holding a Victory bond with coupons attached, does not cash them until, say, after the war? Is he expected to pay income tax on the interest in the year in which it accrued, or does he pay tax on the lump sum received when he does cash them?

—

This question cannot be answered categorically. Normally the practice of the income tax authorities, it is understood, is to tax bond interest in the year in which actually received; that is when cashed. Where a large amount is concerned, however, especially where there is any evidence that cashing the coupons has been postponed to evade income tax, each case would probably be considered on its merits. In some circumstances, the authorities might require the taxpayer to add back the accrued interest to his income for each year concerned, and pay any arrears of tax owing, with interest.

The ADMIRAL BEATTY
Modern, Fireproof. 250 rooms. Rates from $2.20 Single, $3.85 Double.
SAINT JOHN, N. B.

Investments

Canadian Pacific

As subscribers of The Financial Post, we would like very much to have a report on the ordinary shares of the Canadian Pacific Railway.

—

Canadian Pacific Railway has been able to effect a marked recovery in earning power over the last four years, income last year amounting to $2.63 a share, or better than 10% on the par value. At the same time a substantial reduction has been made in funded debt.

So far the directors have not approved the payment of any dividends on the common stock, believing that the cash resources should be conserved to take care of postwar developments as well as further reducing the debt and debt charges.

By the end of the war the company should be in an exceptionally strong financial position. The after-war prospects are a little difficult to define at this stage, but indications are promising.

Building Products

Will you let me have a report on the stock of Building Products Ltd.?

—

Building Products Ltd., over a period of years, has worked itself into a strong financial position. At present the stock sells for around $14.50 while the dividend amounts to 60 cents a share annually. The company has paid dividends regularly, but of varying amounts, since 1927. So far this year, operations have been steady and at approximately the same level as a year ago. In the financial statement for 1942 it is stated that a reasonably good volume of business was to be expected for 1943.

Last year the company earned 80c. a share on its common stock, as against 98c. a share the year before and 86c. a share in 1940. The full impact of the excess profits tax will be felt on earnings this year, a factor which influenced the directors' decision to reduce the dividend from 80c. a share, a rate which has been paid in the last four years, to the current level of 60c.

Can. Marconi

We would appreciate a report on Canadian Marconi stock, especially as to the reasons why it has advanced in value.

—

Advance in the market value of Canadian Marconi Co.'s common stock is due, in part, to speculative trading, and in part to the improved earnings and financial position. Since the outbreak of war there has been a considerable expansion in the company's plant facilities and at present practically all operations are directed to production of equipment for the various armed services.

During the last year net working capital advanced from $2,072,429 to $2,491,470, while net earnings available for distribution on the common stock increased from $272,209 to $329,959. Dividends of 4% are being paid on the common stock which has a par value of $1 a share.

Maclaren-Quebec Power

Would you be good enough to let me have a report on Maclaren-Quebec Power Co? I would like to know if its bonds are regarded as a sound investment.

—

Maclaren-Quebec Power Co., controlled by Maclaren Power & Paper Co., operates two hydro-electric plants with a combined capacity of 245,000 h.p. All of the output is sold under long term contract to Ontario Hydro and the James Maclaren Co. Power revenues have shown a consistent increase and in 1942 interest charges were earned 2.55 times before depreciation and 1.89 times after depreciation. This is the best showing ever made by the company. The series A bonds are well regarded.

Power Corp.

I am interested in Power Corp. of Canada 4½% bonds, maturing March 1, 1959, and would appreciate information as to interest coverage and balance sheet equity.

—

Interest on Power Corp. of Canada 4½% bonds, 1959, in the fiscal year 1942 was earned 2.73 times, as against 2.76 times the year before. The equity behind these debentures, based upon the market value of securities held, was $1,907 per $1,000 of debentures as at June 30, 1942.

Insurance

Canadian Indemnity

Please give me a report on the Canadian Indemnity Co.

—

Canadian Indemnity is a Canadian company with head office in Winnipeg. It was established in 1912. In its financial statement for the year ended Dec. 31 last, it showed total assets of over $2.5 millions with policyholders' surplus of $1.2 millions, an increase of $61,000 over the previous year. Net premiums at almost $1.3 millions were $35,000 above the previous year. It is licensed by the Dominion Department of Insurance which means that its operations are under the regulation and open to the inspection of the Dominion Department of Insurance. It operates under the same management and control as the Canadian Fire Insurance Co.

Asbestos Corp. Sales Hold Up

From Our Own Correspondent

MONTREAL. — Sales of asbestos this year to date have been good while the demand holds firm, according to a statement made by R. W. Steele, president, at the annual meeting of Asbestos Corp. shareholders. Because of bad weather conditions, however, earnings have fallen somewhat behind last year, but there were indications the lag might be made up before the end of the year.

Shareholders were informed that the Dominion tax authorities had ruled in the company's favor on a tax claim amounting to $85,000 in connection with a 1940 item. As provision had been made by deducting this amount from earned surplus, it will be written back into earned surplus.

In reply to questions from shareholders, Mr. Steele discussed recovery of magnesium from asbestos tailings. He stated that so far it was still too expensive, though experiments at Ottawa were showing progress. He pointed out, however, that with present relatively small use of magnesium the financial return to the company would be negligible, but he said it might be a source of income in the future—say in 15 years.

Air Group Expanding

Walter F. Thorn, Moose Jaw, has been appointed general representative of the Air Industries and Transport Association of Canada.

R. B. C. Noorduyn, president of the association, states that the extremely rapid expansion of the aircraft industry and the situation now developing in connection with postwar air transport made Mr. Thorn's appointment desirable. Mr. Thorn's primary duties will be co-ordination of the views of the 70 member companies of the association on all problems and policies affecting their common interest; also discussing related matters with the government.

Shortly after the end of the last war Mr. Thorn became actively associated with air transport. In recent years he has been associated with Prairie Airways Ltd. and with establishment of repair depots and training schools in connection with the Commonwealth Air Training Plan.

Back the Attack — Buy MORE Victory Bonds!

Your dollars invested in Victory Bonds supply the ammunition that will blast the Axis from the skies, and the earth, and from under the sea.

Victory Bonds are also your safest investment and earn you 3% interest each year. In case of need they can be borrowed against at this Bank quickly and easily. They represent "Savings" which will be available to you for your needs and wants after the war. Victory Bonds are "good savings."

Buy Victory Bonds in two ways—from savings and on the instalment plan. If desired you can finance your purchase on easy terms.

BUY NOW AND URGE OTHERS TO DO LIKEWISE

The BANK of NOVA SCOTIA
Established 1832

BECOMES PARTNER

James F. Gibson, F.C.A., who has been admitted to partnership in the firm of Clarkson, Gordon, Dilworth & Nash, chartered accountants. Mr. Gibson is immediate past president of the Institute of Chartered Accountants of Ontario and was formerly chief auditor of corporations in the Toronto district office of the Dominion Income Tax Division.

Penmans Ltd. results so far this year have been on a par with or slightly below those shown in the like period last year, A. F. Baillie, president, reported at the annual meeting. Production has been affected by difficulty in getting labor, he said. It is too early to forecast results for the full year, but Mr. Baillie stated the "company was holding its own."

Home Front

Aiding Charity by Taxation

Municipalities Make Tax Roll Do the Job of Tag Days

Since late in 1939 it has been possible for Ontario municipalities to support war charities by adding up to a mill to the tax rate—using the tax machinery to perform the function of charity drives and tag days. With the practice largely confined to rural areas, a total of $913,300 has now been amassed for charity through the municipal tax rolls.

Permission for a municipality to declare a war charity tax must be obtained from the Ontario Department of Municipal Affairs. The levy is written into the municipality's budget and if considered reasonable is passed by the department. The Organization of Resources Committee also has a veto.

Provision for municipalities to declare such taxes was made in the second session of the 1939 Ontario Legislature, in an amendment which allowed levies to be granted to aid any patriotic organization registered under the Dominion War Charities Act of that year. A further amendment to the municipal act this spring allowed for grants to certain other agencies.

The latter bill received second reading this April 1, and will go into effect on June 14. At that time municipalities will be allowed to grant funds for aiding the establishment or maintenance of local war savings or loan committees; for local civilian defense committees; for air raid precautions or similar work within the municipality; and for adding to the sum paid a member of the municipality's fire department who leaves the service "for the purpose of assisting the allied forces in fire-fighting work occasioned by air raid attacks or action of the enemy during the present war."

Up 56%

In 1940 contributions totalled $199,000. In 1941 the figure was down to $161,000, but in 1942 contributions had increased more than 56% to roughly $252,000. To date in 1943 $301,300 has already been contributed, almost twice the amount in all of 1941. The gain is attributed in part to widespread interest in the Aid to Russia Fund, as well as to other charitable efforts.

How the money is dispersed is a matter for the municipalities themselves to decide, provided the agencies to which they intend to contribute are registered under the Dominion War Charities Act. The Red Cross has been a major recipient. Others are the Russian Fund, Chinese War Relief Fund, the Navy League of Canada and the Salvation Army, with the size of donations falling into about that order.

Some money has also been granted to local salvage collection committees, but usually in the form of assistance in initial costs only. Salvage committees under the system provided for by the Federal Government are self-supporting provided the labor is voluntary.

Anxious to Help

The tax levied depends on the prosperity of the municipality in question, but Municipal Department representatives say that it is seldom more than one mill annually, and the average rate is closer to one half mill. Individual municipalities are anxious to do all in their power to aid the war and there is a tendency to levy at a higher rate than the people can carry.

The part of the Municipal Affairs Department is in many cases one of restraint. It has been found necessary to tone down (although never to discourage) some of the higher rates proposed. Many municipalities are only just coming out onto the credit side of the balance sheet; it is felt preferable that they should remain there at present even if it means the sacrifice of a small amount of war contribution. Once such areas are financially secure it will be possible for them, if they wish, to raise their rates and contribute more heavily.

WAR CALLS FOR THRIFT

When the government wartime programme calls for money, be prepared. Be in a position to write your cheque. Have a balance in your savings account constantly growing. Open an account with the Canada Permanent and make deposits regularly and systematically.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

CANADA PERMANENT Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $62,000,000

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1942), $12,389,021

The International Half-Track shown here is one of the many major war products built by International Harvester

ATTACK! With the Firepower in Your Purse!

THERE'S firepower in your purse . . . and it's needed at the battlefront. Send it into the attack—*now*—by buying Victory Bonds!

You've already bought some? Yes, and so have millions of other loyal Canadians.

But all of us must buy more. The cost of war is growing, for we are no longer fighting a defensive war.

We're On The Offensive Now—with everything we've got.

We must carry the war to the enemy—over him, through him—until certain and complete Victory has been won for the United Nations.

You are asked to increase your purchases of Victory Bonds, in support of the Fourth Victory Loan campaign. What if it does mean doing without something? Do Canada's men at the fighting fronts put a price on *their* sacrifices? No, for they know there is one thing we must not do without . . . Victory!

So loose the firepower in your purse . . . put *more* dollars into the fight for Canada's fighting men.

Back the attack with Victory Bonds!

INTERNATIONAL HARVESTER COMPANY OF CANADA, LTD.
TORONTO BRANCH: 51-61 BATHURST STREET

INTERNATIONAL HARVESTER

The Wawanēsa
Mutual Insurance Company
—ORGANIZED IN 1896—
Admitted Assets - - $3,819,972.11
Surplus - - - - - - - 2,014,637.07
Dom. Govt. Deposit 1,939,324.33
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Free on Request. Our Second Booklet
"Farming Holds the Key"
Head Office: WAWANESA, Man.
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Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton.
2,000 Agents Across Canada.

All Motorists Are Liable

Soldiers, Civilians Similar in Accident Costs

The recent decision of the Exchequer Court, that the Crown was not liable for damages caused by neglect of a soldier driving an army vehicle, and the subsequent order-in-council making the government liable in such cases, has stimulated interest in the liability of automobile drivers and owners generally.

One question asked concerns the position of an individual whose person or property is damaged by a soldier driving his own car, in view of the fact that a soldier's pay cannot be garnisheed.

Private Resources

The answer is that the individual's only chance of getting indemnity is if the soldier has private resources or automobile insurance. If he has a house or investments, these can be attached by legal process, and if the soldier has automobile insurance, this can be used to satisfy a judgment.

The position of any member of the armed forces, sailor or airman, is the same as that of a soldier. If the service man is injured by a civilian, the Dominion government may make a claim against the civilian for loss of the soldier's services, cost of hospital care, etc.

Soldier or civilian owner or driver accepts the same responsibilities once he sets his car in motion.

If, on the public highway, he is responsible for damage to persons or property, he is held liable for the monetary loss. If the offending motorist has no resources of his own, the injured party may get a garnishee order against his salary or wages. While a soldier's pay cannot be garnisheed, the liability would follow him after he left the army.

Three Covers

Insurance protection gives cover in all such cases. The three covers protecting the individual automobile owner or driver against financial liability are known as public liability, property damage and free passenger hazard.

By the first the insurance company assumes responsibility for injuries the policyholder may do to people up to certain stated limits.

Under property damage the insurance company assumes liability for damage to another person's property up to a stated amount, usually $1,000.

The passenger hazard protects the motorist in event of a free passenger being injured in provinces where there is no law freeing the motorist of liability for injuries sustained by such a passenger.

If the motorist has no resources of his own and no insurance, most of the Canadian provinces have financial responsibility laws which require any motorist held responsible for an accident to satisfy any judgment he may have against him or have his automobile license cancelled.

Automobile Insurance Coverage Outlined

Economic loss due to accidents on the streets and highways of Ontario in 1943 is estimated at over $25 millions, according to the Canadian Motorists' Handbook for 1943-44.

The book, 66 pages, outlines the different types of insurance coverage available to protect motorists. It explains the legal liability of the motorist carrying passengers in his car, with special reference to passengers carried under the Wartime Industrial Transit Plan. Suggestions on driving and care of the automobile are also given.

The handbook is published by Lillian D. Millar, Toronto, price 25 cents.

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You can improve Any Drink
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CANADA DRY'S
Sparkling Water

IT'S ALKALINE
IT'S VITALIZED
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● Those tall drinks you want to "nurse along," never go flat and flavourless when you use this master-mixer. Purified, ultra-violet-rayed water, with special alkalizing ingredients added, plus Canada Dry's own pin-point carbonation, make all the difference in the world. Just you try Canada Dry's Sparkling Water.
3 SIZES
7 oz. Handy individual size in 6-bottle cartons.
12 oz. Favourite Club size.
30 oz. Economical Family size. Makes 8 to 10 long drinks.
SW83
THE WORLD'S LARGEST SELLING CLUB SODA

Canadian Insurance Abroad

Life Policies in Force Gain $77 Millions

In spite of war conditions, insurance in force with the Canadian companies outside Canada at the end of 1942 was $3,052 millions, or more than $77 millions higher than at the end of the previous year, according to the preliminary figures released by G. D. Finlayson, superintendent of insurance at Ottawa.

Twenty-one of 28 Canadian companies licensed by the Dominion do business outside Canada.

In addition to ordinary insurance, 11 of the 21 write group insurance abroad. The total amount of foreign group business in force at the end of 1942 was $273 millions, compared with $270 millions the year before, and new insurance effected was $23 millions compared with $15 millions in 1941.

Total $3,326 millions

Foreign insurance in force with the Canadian companies, at $3,326 millions, was more than 39% of the total business these companies have in force. New insurance effected abroad during the year was $240 millions compared with $239 millions the year before.

Previous to the entry of Japan into the war, the field of operations included Shanghai, Hong Kong, the Straits Settlements and the Philippines. Efforts are being made by the different companies to service business in force in those countries.

The U. S. Government issues insurance on the lives of its armed force personnel up to $10,000, and, with millions being drafted, the demand for new insurance sold by the companies was affected accordingly. This undoubtedly affected all companies operating in the United States.

While mortality due to war has increased in all countries, so far it has not been a source of serious loss to the companies, war claims averaging possibly 10% of the total.

To meet foreign liabilities as they occur, Canadian companies maintain supplies of foreign currencies. The Foreign Exchange Control Board has made arrangements which enable them to carry on their foreign business much as usual. Statistics of ordinary business abroad with comparisons follow.

Foreign Business of Canadian Companies

	New Ordinary Business Issued		Business in Force	
	1942	1941	1942	1941
	$	$	$	$
Canada	14,518,178	15,735,745	317,156,639	317,021,131
Confederation	19,019,640	17,137,661	164,744,811	152,078,052
Continental	47,614	30,622	693,092	710,308
Crown	10,248,218	11,318,120	84,937,669	78,233,079
Dominion	4,733,064	4,065,912	25,288,582	21,157,697
Dom. of Canada	230,445	173,419	1,342,802	1,200,094
Equitable	50,308	59,433	1,931,204	2,016,096
Excelsior	56,901	50,440	2,339,835	2,430,982
Great West	13,110,737	12,666,366	120,284,558	111,966,140
Imperial	5,260,751	3,941,866	65,942,272	63,911,120
London	164,270	334,500	4,131,440	4,342,832
Manufacturers	30,996,024	29,602,875	323,294,082	306,216,052
Maritime	151,846	61,086	3,406,970	3,367,520
Monarch	25,313	66,000	2,139,219	2,106,556
Montreal	89,180	90,448	3,446,448	3,491,945
Mutual	1,626,231	1,863,034	22,110,079	21,738,455
National	586,148	587,543	5,869,879	5,499,657
North American	3,721,830	3,934,000	29,052,791	26,956,164
Northern	691,627	1,028,220	3,582,023	3,265,061
Sauvigarde	2,000	12,950	412,351	409,209
Sun	111,507,439	121,850,470	1,870,857,826	1,850,671,870
Totals	216,837,764	224,610,710	3,052,964,572	2,978,790,020

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THE STANDARD LIFE EDINBURGH
A mutual office noted throughout the world for its soundness and strength.
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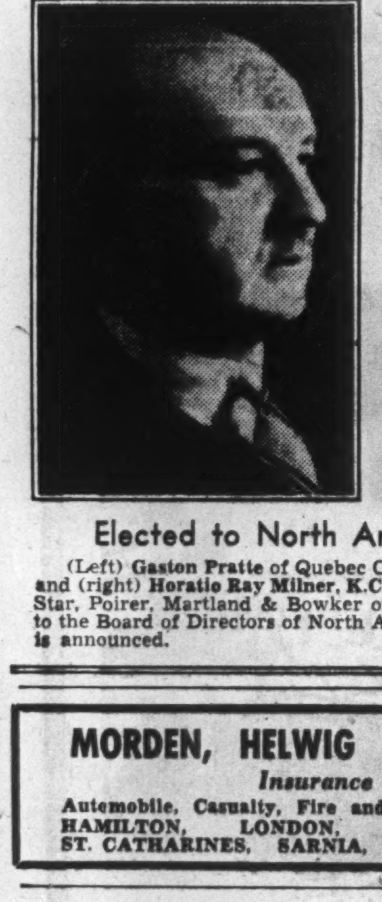
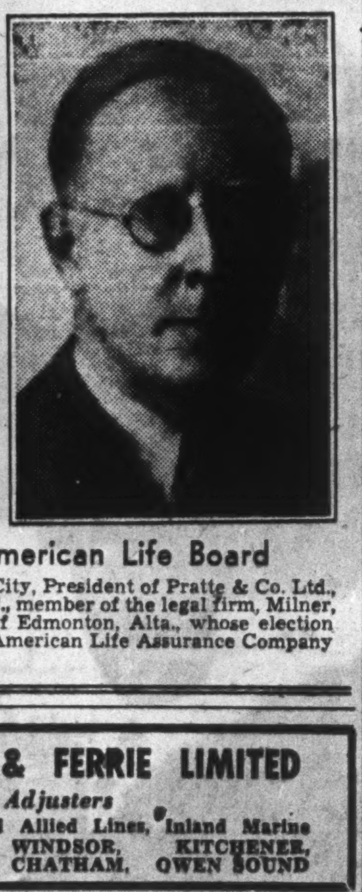
Head Office for Canada: 391 ST. JAMES STREET, MONTREAL
Branch Offices are maintained in the following cities:—
TORONTO, LONDON, OTTAWA, and HAMILTON, ONT.; MONTREAL, P.Q.; FREDERICTON and SAINT JOHN, N.B.; HALIFAX, N.S.; and VANCOUVER, B.C.
PENSION BONDS
$100 PER MONTH
FOR LIFE FROM AGE 65
Ask for particulars of Pension Bonds from the local Branch Office.

The STANDARD FOR MUTUAL LIFE ASSURANCE.





Elected to North American Life Board

(Left) Gaston Pratte of Quebec City, President of Pratte & Co. Ltd., and (right) Horatio Ray Milner, K.C., member of the legal firm, Milner, Star, Poirer, Martland & Bowker of Edmonton, Alta., whose election to the Board of Directors of North American Life Assurance Company is announced.

New Books

How Successful Was Dieppe?

Author Questions Quantity of Air Support

WE LANDED AT DAWN by A. B. Austin. Published in Canada by the Ryerson Press. Price $3.

Author of this 217-page report of the Dieppe raid is the correspondent of the Daily Herald, London. It is a workmanlike job on a story that is intensely interesting whether told by a master story-teller or by the most illiterate private who took part in the raid.

Austin's comments on the management and success, or otherwise, of the raid are interesting.

"The real importance of Dieppe is in the air," says Austin" and that needs explaining to a soldier who had to land under fire and withdraw under still worse fire for such a seemingly intangible result.

"I do not claim that the part played by the R.A.F. at Dieppe was perfect. The Fighter Command gave faultless protection at almost the extreme range at which the single-seat fighter can win local air mastery, but whether we had enough bombers at Dieppe is arguable.

"There are two schools of thought about that. There are those who say that as big a bomber fleet as we could spare should have been hurled at Dieppe to disorganize the defenders and crumble their defenses just before we landed. There are others who say that bombing would not have done the trick, that it would not have mastered the concrete gun emplacements in the cliffs, the concrete pillboxes along the front, or such heavily strengthened fortresses as the Casino and the tobacco factory. A heavier bombardment by warship guns, or the running of assault guns onto the beach would, they argue, have been more effective.

"Certainly the bombing and cannon gunning by Bostons, Hurricanes and Spitfires which did take place, daring and accurate though it was, did not smother the heavier Dieppe defenses. My own opinion is that a heavier and more concentrated air bombardment in the hour before the landing would have been a great help. . . .

"Dieppe may have been spared this close and ruthless bombing because, since we were only making a raid, we did not wish to kill or injure more French people than we could help. If so, that is a political decision of which I have no knowledge. Sooner or later we shall have to use all the weapons of 'total' warfare if we mean to gain a foothold on Hitler's Europe."

Another interesting angle of the Austin book is this Englishman's reaction to the Canadian troops, their personalities and habits. He is as bemused by them as if he were for the first time encountering allies as foreign as Poles, Norwegians or Brazilians. We're really rather appalling, don't you know.

The Returned Soldier Problem

DISCHARGED. A commentary on civil re-establishment of veterans in Canada. By Robert England. The Macmillan Company of Canada.

The problem of Canada's discharged soldiers in this war is already with us. To date, over 70,000 have been discharged from the armed forces and the figure will certainly soar once the Canadian Army is actively engaged. Such a situation, plus the fact that the end of the war now seems definitely in sight, makes this study of Robert England particularly timely. Mr. England is especially well qualified to handle such a subject, having gone through the complete experience of enlisting, serving, being discharged and getting re-established again, in the first Great War of 25 years ago.

This book describes the measures and machinery through which civil re-establishment is to be effected, medical treatment, training, vocational training, resumed interrupted education, employment, land settlement, social security, protection and war pensions. It should furnish to Canadians generally a compendium of information as to the measures relating to most emergencies confronting service men on discharge.

Round Trip to Russia

ROUND TRIP TO RUSSIA by Walter Graebner. Published in Canada by Longmans, Green & Co Price $4.

Graebner is a writer for Life, Time and Fortune and, since the outbreak of war has spent most of his time in Europe and Asia. The Luce enterprises appear to rate him one of their more thoughtful observers.

Graebner's assignment was this: "Try to find out what the Russian people are really like. They are our Allies. We are working with them now, and we will be working with them after the war. We must know more about them. What are they doing and where are they going?"

This book is little more than a graphic report. Whether the material here presented is sufficiently typical or universal to justify basing conclusions thereon, perhaps even the author himself can't tell. For like every book yet written about the Soviet, this one still leaves the reader unsatisfied, puzzled as to the real explanation of the Soviet.

Highlights that particularly interested this reader are:

Russians' interpretation of total war. They really mean total war, both on the battle and home fronts.

The extraordinary poverty of the Russian people in consumer goods, shoes, clothes, etc.; the religious fervor of the people and their acceptance of privation apparently with the same lack of complaint as a monk for his barren cell.

The volume and persistence of Russian propaganda among their own people and soldiers that the rest of the United Nations are doing a very puny and unwilling job of helping Russia; that we are wilfully delaying a second front.

The bitter and potentially very serious bitterness existing between American and British officers and soldiers. Graebner is extremely worried about this.

Forgotten Values

ROBERT D. FISHER MANUAL OF VALUABLE SECURITIES. Published by Robert D. Fisher, 461 Eighth Ave., New York City. Price $5.

Mr. Fisher reports that over $100 millions of unclaimed money is available and waiting for holders of undeposited securities to present their claims. To assist holders of such securities, he has prepared a manual covering more than 3,000 reports, giving cash or exchange value, sources of collection or exchange of bonds, stocks, coupons or scrip that holders had thought worthless. His purpose, he states, is "to provide in one volume the results of over 15 years of research on more than 3,000 supposedly worthless securities that have a cash or exchange value and to make these data available for the first time at a price which all individuals can afford."

This manual represents the "cream of nine volumes" comprising the Marvyn Scudder Manual of Extinct or Obsolete Companies and the Robert D. Fisher Manual of Valuable and Worthless Securities. In addition it includes reports on several hundred companies not in these volumes.

MORDEN, HELWIG & FERRIE LIMITED
Insurance Adjusters
Automobile, Casualty, Fire and Allied Lines, Inland Marine
HAMILTON, LONDON, WINDSOR, KITCHENER, ST. CATHARINES, SARNIA, CHATHAM, OWEN SOUND

A CHALLENGE to every Canadian
The Fourth Victory Loan focuses the attention of the world upon Canada.
Our enemies watch, hoping we will fail to reach the quota.
Our fighting men and our allies watch, to see if we are with them all the way — if we are going to BACK THE ATTACK.
Let's show them — Let's put the Loan over with a surplus. Let's really BACK THE ATTACK.
GREAT AMERICAN INSURANCE CO.
ROCHESTER UNDERWRITERS AGENCY
Great American and Associated Insurance Companies New York
AMERICAN ALLIANCE INSURANCE CO.
GREAT AMERICAN INDEMNITY CO.
J. H. HARVEY, MANAGER - 465 ST. JOHN STREET, MONTREAL
BRANCH OFFICES IN TORONTO, WINNIPEG, VANCOUVER

THE LONDON & LANCASHIRE INSURANCE Co.
ABSOLUTE SECURITY
W. R. HOUGHTON
Manager

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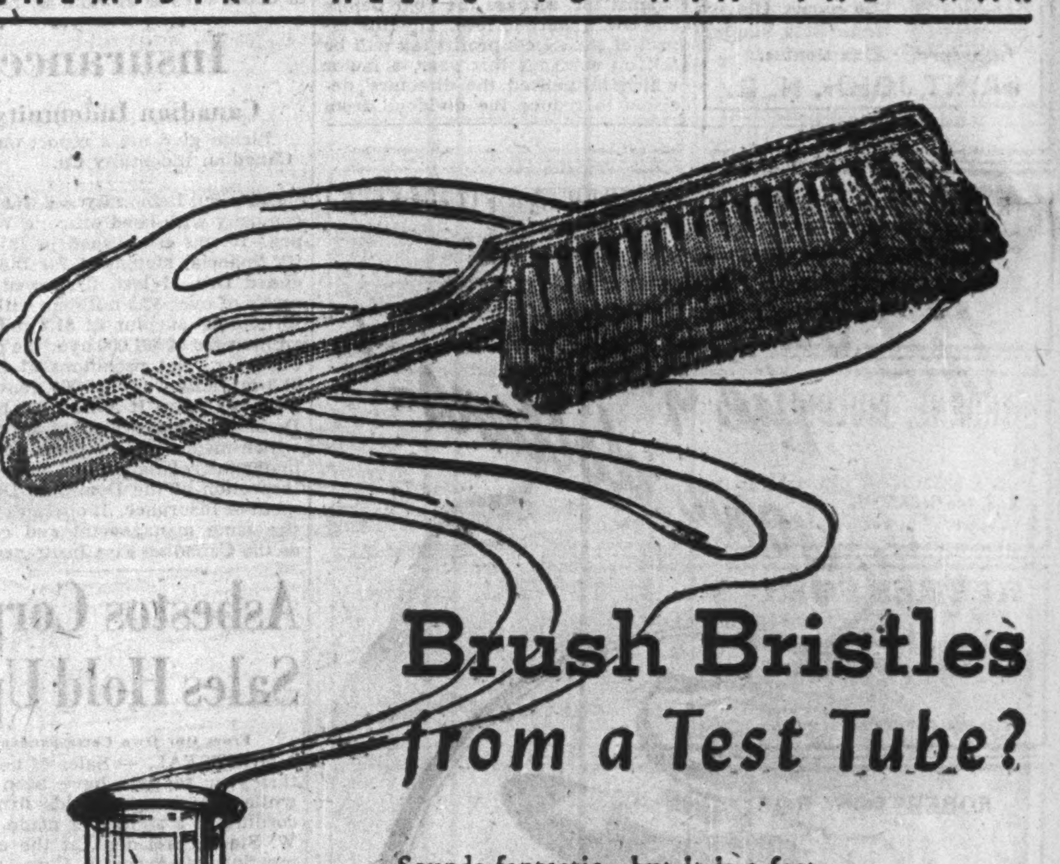
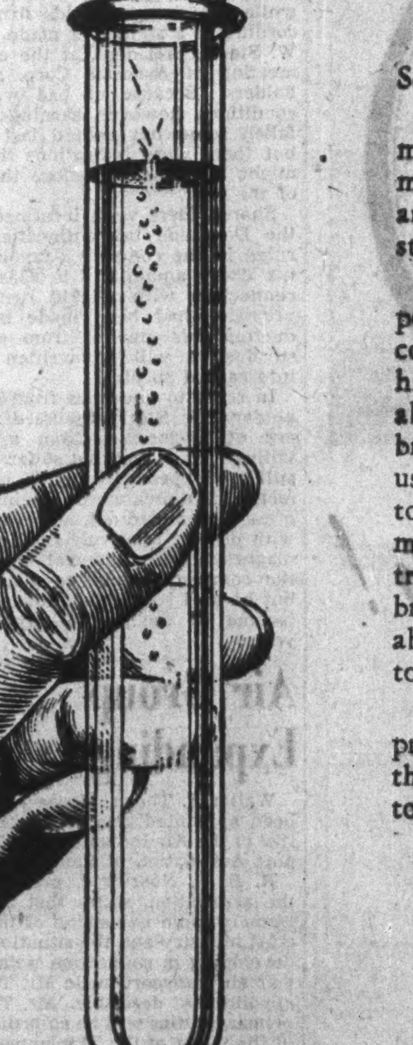
CHEMISTRY HELPS TO WIN THE WAR

Brush Bristles from a Test Tube?

Sounds fantastic—but it is a fact.
Modern chemistry has devised a material that makes better brush bristles. It's called nylon monofilament, and when compared with animal and vegetable brush bristles—it's a tremendous step forward.
Nylon monofilament is extruded from nylon polymer, a plastic produced by chemistry from coal, air and water. Nylon bristles are tough, highly resistant to water, chemicals, cleansers, abrasives; they will not split, fray or become brittle. That's why you'll find these bristles in use on many different types of brushes . . . brushes to clean the big guns, brushes for shell fuses, the myriad brushes used by modern industry. Chemistry has even developed tapered bristles for paint brushes. These, of course, are not as yet available for civilian use. More than likely, your new toothbrush or hairbrush has nylon bristles.
Of course, war needs have first call on present production of nylon monofilament bristles, but they are certainly "something to look forward to after the war".
Nylon monofilament from the Plastics Division of C-I-L is another example of how Industrial Chemistry is aiding Canada's war effort.
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Cheque Fraud Losses Up

Many Forge Signatures of Payees

Canadian banks are cashing more cheques than for years back—perhaps more than ever before. This means the chances for cheque frauds have increased.

Normally, a certain amount of loss from this cause is expected. Some sources from which this results are:

Cheques drawn against non-existent or inadequate accounts.

Forged signatures of people with bank accounts.

Payees raising the amounts for which cheques are drawn.

Forging the signature of the payee.

Most Serious Factor

Of the four causes, the last is stated to be the most serious. One reason for this is the difficulty in getting proper identification for the payee, despite national registration cards.

Thousands of cheques are now issued daily by the Government and industrial concerns payable to individuals. Many of these people are moving about the country or from place to place within the same city. This makes it easier for a cheque to fall into the hands of some person for whom it was not intended, makes it more difficult for the bank to be sure it is cashing the cheque for the right person.

Issued by Government

Sometimes members of a bank staff, especially if lacking in experience, are inclined to assume that because a cheque is issued by the Government, it is safe to cash.

The number of people fraudulently endorsing cheques and presenting them for payment has increased substantially.

Banks are emphasizing the need of proper identification before cashing cheques.

Raising Figures

Cases of raising the amounts for which cheques are made payable are now less frequent than some years ago, due largely to cheque perforating machinery.

Another cause of cheque losses, issuing by people with inadequate bank accounts or perhaps none at all, occurs less frequently than formerly.

In some quarters it is claimed that while cheque frauds have increased the increase has not been nearly in proportion to the increase in the number of cheques being issued.

Bond Holdings Show Increase

Bank of Canada Investments and Note Circulation Rise

An increase of about $30 millions in total assets is shown in the statement of the Bank of Canada for the week ended April 21. The expansion was due to increased holdings of short term bonds, other investments and miscellaneous assets being lower. The increased investments evidently result from bank increasing reserves against a rise in note circulation and deposits of the Dominion Government and the chartered banks.

	Apr. 21 1943 $	Apr. 14 1943 $
Liabilities:		
Capital paid up	5,000,000	5,000,000
Notes in circ.	736,092,462	731,435,102
Rest fund	6,472,953	6,472,953
Deposits: Dom.	45,526,143	29,253,112
Banks	269,517,327	257,147,703
Other	32,092,806	36,313,628
Total deposits	347,136,275	322,714,443
All other	8,922,096	7,415,357
Total liabs.	1,103,823,786	1,073,037,855
Assets:		
In Sterling & U.S.	136,632	136,632
Subsid. coin	132,832	166,667
Investments:		
Dom. gov. sh.	817,171,222	780,303,211
Other Dom. gov.	275,188,269	276,188,808
Total invest.	1,092,,359,491	1,056,492,019
Premises	2,105,218	2,100,205
All other assets	8,889,613	14,142,332
Total assets	1,103,623,786	1,073,037,855

Tax Hits Profit Can. Celanese

Dreyfus Places Earnings in 1943 at $1.88 a Share Maximum

From Our Own Correspondent

MONTREAL—Canadian Celanese Ltd. will not be able this year to retain net profits in excess of $1.88 a share on the common stock, an amount 12 cents under the total payments on the stock in each of the years 1941 and 1942, according to a statement made by Camille Dreyfus, president, at the annual meeting of shareholders. Net profit in 1942 was equal, after preferred dividends, to $3.19 a share on the common.

Sales for the first quarter of the year, Dr. Dreyfus reported, were higher by some 13%, and profits, before tax provision, were ahead of 1942 in the same proportion.

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Company Reports

B.C. Power Corp.

Gross revenues of B. C. Power Corp. for 1942 reached the highest level in the history of the company, showing an increase of 15% over 1941. Income from all sources totalled $21.7 millions, as against $18.7 millions the year before. Because of higher tax provision, net profits were practically unchanged, amounting to $2.08 a share on the "A" stock as against $2.07 a share in 1941.

In his report to shareholders, W. G. Murrin, president, said the tramway system carried 27.45% more passengers last year, while sales of electrical energy were up 13.49%. The gas division recorded an increase of 18.69% in sales.

The balance sheet reveals a further reduction in funded debt, while the cash position underwent a marked betterment last year.

Cons. Income, Surplus—Years End. Dec. 31	1942	1941
Oper. revenue	$21,652,475	$18,701,686
Add: Other income	34,973	27,380
Less: Expenses	10,456,653	9,123,659
Total earnings	11,230,795	9,605,407
Less: Exec. remun.	95,197	95,091
Directors' fees	22,150	21,000
Depreciation	2,744,162	2,549,751
Interest	1,504,899	1,520,555
Income & E. P. tax	*3,995,600	2,379,400
Prov. accidents	90,000	120,000
Bond expense	73,091	75,011
Cont. reserve	......	150,000
Net profit	2,705,696	2,694,599
Less: Pref. divds.	621,840	621,840
Common divds.	2,000,000	2,000,000
Surplus for year	83,856	72,759
Add: Prev. surplus	1,168,513	1,095,754
Earned surplus ford.	1,252,369	1,168,513

*Refundable portion $270,000 is included.

Earned per share:		
Common	$2.08	$2.07
Paid	2.00	2.00
Working capital	$1,374,474	$1,554,563
Balance Sheet Changes		
Cash	$1,223,046	$1,463,460
Investments	1,421,690	......
Accts. receivable	2,368,326	1,854,702
Inventories	1,682,173	1,883,298
Funded debt	37,160,624	37,607,625

Lower St. Lawrence Power

Lower St. Lawrence Power Co. reports total revenue in 1942 of $430,062, an increase of nearly $29,000 over the preceding year. After provision for bond interest and other charges, including preferred dividends, the company reports a surplus for the year of $31,357. This compares with $32,179 in 1941 and $13,301 in 1940. Surplus account was increased during the past year from $153,043 to $184,302.

Income, Surplus—Years Ended Dec. 31	1942	1941
Total revenue	$430,062	$401,519
Less: Oper. exps.	193,372	167,931
Taxes	13,520	16,429
Miscel. interest	1,192	849
Depreciation	86,000	86,000
Income tax provision	31,618	28,244
Avail for fixed chgs.	104,360	102,066
Less: Bond interest	69,003	69,887
Net profit	35,357	32,179
Less. Pref. divds.	4,000	......
Balance forward	31,357	32,179

Granby Elastic Web

Granby Elastic Web of Canada reports largest volume in its history in 1942 in spite of difficulty in securing sufficient raw materials, P. Horace Boivin, president, reports. War supplies were produced in large volume.

Balance sheet shows cash more than doubled at $198,017. Refundable portion of excess profit tax is shown at $50,530. Initial dividend of 25 cents a share was paid last year on the common.

Income, Surplus—Years Ended Dec. 31	1942	1941
Total earnings	$643,624	$301,733
Less: Exec. remuner.	27,100	26,583
Directors' fees	5,600	5,600
Legal fees	1,069	4,578
Depreciation	45,675	74,463
Income & E. P. tax.	483,000	125,000
Life insurance	1,119	1,119
Net profit	80,062	64,390
Less: Pref. divds.	25,978	26,620
Common divds.	7,500	......
Pref. red res.	16,012	12,878
Surplus for year	30,572	24,892
Add: Previous surplus	13,005	*2,615
Adjustments	......	5,728
Less: Conting. res.	10,000	15,000
Earned surp. forward	33,576	13,005

*Deficit.

Earned per share:		
Common	$1.80	$1.25
Paid	0.25	nil
Working capital	$347,284	$339,623

Medalta Potteries

Cash in hand and accounts receivable of Medalta Potteries, Ltd., Calgary, were $62,120 at Dec. 31, 1942, as against $45,306 at the end of the previous year, according to the annual report. Inventories were down to $29,556 from $42,404. Bond interest paid in 1942 was $17,196, against $9,354.

Income, Surplus—Years Ended Dec. 31	1942	1941
Total earnings	$51,136	$41,422
Less: Depreciation	14,883	14,721
Interest	16,962	9,354
Income, E.P. taxes.	9,500	10,000
Directors' fees	1,500	......
Depletion	1,000	400
Net profit for year	7,291	6,946
Less: Previous deficit	1,302	1,993
Approp. for deb. red.	6,250	6,250
Add: Prior income	606	......
Surplus forward	345	*1,302

*Deficit.

Working capital	$63,787	$46,400

Famous Players

Famous Players Canadian Corp. reported substantial improvement in operations during the fiscal year ended Jan. 2, but more than the gain in profits went for heavily increased taxes. Final net profit equalled $2.58 a share as compared with $2.70 in the previous fiscal year.

Improvement in working capital position to $2.3 millions is largely attributable to a decrease in current liabilities caused by a reduction in the tax reserve. Among current assets it is revealed that the company bought $434,400 of Dominion bonds during the year, while its guaranteed call loans expanded to $1,141,000 from $601,000.

Cons. Income, Surplus—Years Ended	1943	1942
Oper. profit	$3,791,711	$3,035,851
Add: Divds. rec.	187,712	197,821
Int. earned	52,438	35,382
Less: Exec. remuner.	93,908	134,037
Dirs. fees	3,000	3,450
Legal fees	19,314	10,866
Bond int., etc.	284,483	268,783
Premiums, etc.	6,209	......
Depreciation	732,687	675,324
Amort. leases	24,838	52,519
Amort. refund. debt	54,108	53,132
Taxes	1,689,054	900,000
Net income	1,121,055	1,170,943
Less: Minor. int.	9,604	9,019
Net profit	1,111,451	1,161,924
Less: Dividends	645,786	430,524
Surplus for year	465,665	731,400
Add: Prev. surplus	4,773,449	4,081,462
Refund. taxes	140,000	......
Cap. assess. prof.	23,666	10,853
Subsid. surp.	16,193	......
Less: Tax adjust.	1,602	50,266
Surplus forward	5,420,576	4,773,449
Earned per share	$2.58	$2.70
Paid	1.50	1.00
Working capital	$2,319,691	$1,488,223

Hamilton Theatres

Cash on hand held by Hamilton United Theatres, Ltd., was $33,710 at Dec. 26, 1942, as compared with $22,649 at Dec. 27, 1941, according to the annual report for 1942. Call loans were down from $115,000 to $53,000, while holdings of government bonds were up from $24,750 to $74,750. Share of profits from operation of Odeon Theatres of Canada was $9,760 against $22,608 in the earlier period. Accounts payable and accrued liabilities were $4,291 as against $824 previously. Tax reserve was up from $23,843 to $40,153. Of the 7% capital preferred stock, 7,683 shares were outstanding compared with 8,650 in the previous year.

Income, Surplus—Years Ended	Dec. 26 1942	Dec. 27 1941
Operating profit	$109,624	$86,453
Add: Other income	3,069	2,711
Total earnings	112,693	89,164
Less: Depreciation	28,274	27,263
Income & E. P. tax.	*40,152	28,626
Net profit	44,267	38,076
Less: Pref. divds.	30,084	33,277
Surplus for year	14,183	4,799
Add: Prev surplus	91,874	87,076
Refundable E. P. tax	2,073	......
Less: Prior tax adjust.	26	......
Add: Sundry adjust.	415	......
Earned surplus forw'd	108,415	91,874

*Includes $2,073 refundable E.P.T.

Earned per share:		
Pref.	$7.95	$5.83
Paid	5.00	5.00
Common	0.29	0.10
No dividends paid.		
Working capital	$125,216	$158,826

Canada Cycle

Canada Cycle & Motor Co., subsidiary of Russell Industries Ltd., reports that combined total of civilian and war production has reached a record high level. Civilian goods have decreased although demand for the major product, bicycles, continues high but is subject to control to conserve metals. Outlook for 1943 is uncertain, G. S. Braden, president, reports, due chiefly to difficulties in obtaining materials and manpower shortages.

Capital expenditures last year were $48,891. The company added to its liquid strength, with marketable securities now shown at a book value of $977,629 and a market value of $1 million, compared with $455,966 and $517,100 respectively a year ago.

Consol. Income, Surplus—Yrs. End. Dec. 31	1942	1941
Operating profit	$817,131	$790,197
Add: Other income	40,092	......
Total earnings	857,223	790,197
Less: Inc. & E. P. tax	*500,000	409,991
Conting. reserve	17,021	44,006
Insurance prem.	......	2,358
Net profit	340,202	333,842
Less: Pref. divds.	46,272	47,493
Common divds.	140,000	140,000
Surplus for year	153,930	146,349
Add: Prev. surplus	1,139,840	994,018
Adjustment	7,024	......
Less: Prem. pref. red.	1,163	527
Earned surplus forw'd	1,299,631	1,139,840

*Includes $35,000 refundable E.P.T.

Earned per share:		
Preferred	$36.89	$35.30
Paid	5.00	5.00
Common	2.94	2.86
Paid	1.40	1.40
Working capital	$2,061,492	$1,891,343

Northwest. Utilities

Northwestern Utilities, Edmonton, subsidiary of Dominion Gas & Electric Corp., sold 5,293,083 m.c.f. of gas in the year ended Dec. 31, according to the report of H. R. Milner, president. A steady gain is noted since 1934, when sales were 2,476,469 m.c.r. Gross revenue in that year was $839,146, as against $1,367,665 in the latest period. "Rapid growth of Edmonton and the necessity of supplying military and other war establishments has placed a heavy load on the company's system," Mr. Milner states.

Three wells were drilled in the Kinsella Field in 1942, two of which were brought into production before and one just after the close of the year. As Dec. 31, the company owned ten wells in the field, eight of which are now in operation. At Viking 21 wells are in operation. Nineteen are owned and two controlled by the company. Total daily flow of the 29 wells in operation is some 245 million cubic feet.

During the year the company sold $650,000 principal amount of second series A 4½% bonds. The outstanding series B 4½% bonds were retired.

Income, Surplus—Years Ended Dec. 31	1942	1941
Gross income	$1,367,665	$1,176,716
Less: Prod. costs, etc.	541,383	480,200
*Directors' fees	470	410
Exec. salaries	21,801	21,801
Legal fees	*5,634	6,727
Bad debts res.	1,000	1,800
Oper. taxes	125,149	127,770
Amort. res.‡	128,048	146,285
Bond interest	115,429	105,896
Other interest	5,032	6,829
Bond disc. & exp. w/o	12,984	12,060
W/o leases, etc.	10,000	10,000
Income, E. P. taxes	140,552	96,508
Add: Misc. income	5,359	6,507
Net profit	266,542	167,136
Less: Pref. divds.	69,756	60,756
Common	160,000	118,000
Surplus for year	36,786	11,619
Add: Prev. surplus	504,709	523,828
Refundable E. P. tax	3,169	......
Less: Comm. on shs. sale	......	7,500
Surplus forward	544,663	504,709

*Excluding $102 charged to fixed capital and $4,401 to reserves and other accounts.

‡In addition depreciation reserves provided of $13,385 and $10,842.

Earned per share:		
Pref.	$22.05	$14.38
Paid	6.00	6.00
Common	2.46	1.33
Paid	2.00	1.47½
Working capital	$434,128	$98,798

Acme Gas & Oil

A net profit of $12,621 was realized by Acme Gas & Oil Co. in 1942 compared with $15,790 for 1941. Working capital declined from $60,400 to $54,575.

Oil production in Oklahoma and East Texas was relatively well sustained but production from Alberta's Vermilion field had to be restricted due to the closing down of the Vermilion Consolidated refinery. Entry of the C. N. R. into the Vermilion field through Cannar Oils is seen as a favorable development with regard to the company's investment in Borradaile Oils.

Dalhousie Oil

Although operating income showed an increase from $23,417 to $25,031 in 1942, Dalhousie Oil Co. experienced an increase in net loss from $171,935 to $209,457 after providing for increased depletion and taxes.

Balance sheet as at Dec. 31, 1942, shows current assets of $158,756 as against current liabilities of $1,402, leaving working capital of $157,354, compared with $131,605 a year previous. Outstanding capital remains unchanged at three million shares.

Anglo-Norwegian

Anglo-Norwegian Holdings Ltd. recorded a loss in 1942 of $12,555, as against $12,981 the year before.

A. H. Lang, secretary, reports one vessel has been lost by marine hazards and was fully covered by insurance. The remaining vessels belonging to subsidiary and associated companies were fully employed for the period, but the amount of remuneration in each case is still under consideration with the authorities. This applies to St. Helier Shipowners Ltd., and Falkland Whaling Co. and indirectly to Star Whaling Co. In default of any final settlement in respect to 1940, 1941 and 1942, only payment on account has been received.

The arbitration proceedings regarding the purchase price for the factory ship, "Polar Chief" have been concluded, but the price awarded will show a loss as compared with the book values of the vessel.

The position regarding Townsbergs Hvalfangeri A-S is unchanged. That company's fleet has been employed continuously since 1939, but in view of the situation of the company, it has not been possible for the authorities handling the fleet to estimate the actual results of operations.

Although estimated profits from current operations are sufficient for the purpose, Mr. Lang reports the board has not been able to arrange for the distribution of a further dividend on the preferred shares. Apart from the long delay in obtaining a settlement from the authorities, there remain technical difficulties which have not yet been overcome. Every effort, he says, will be made to arrange for payment during the current financial year.

Income, Surplus—Years Ended Dec. 31	1942	1941
General expenses	$4,070	$4,805
Directors' fees	7,500	7,500
Taxes	575	575
Interest payable	410	101
Net loss	12,555	12,981
Previous surplus	375,253	428,537
Less: Pfd. divds.	......	40,303
Surplus forward	362,698	375,253
Balance Sheet Changes		
Cash	$64,286	$22,102

Bank Chat

Two British banks, the Hong Kong and Shanghai Banking Corp. and the Chartered Bank of India, Australia and China have recently been licensed by the Chinese government to open offices at Chungking. Since Britain's extra-territorial rights in China have been relinquished, the two new banking offices will be subject to the Chinese government's regulations and will depend on Chinese courts for settlement of any litigation with clients in that country.

As the volume of business available at Chungking is only a fraction of what used to flow through Shanghai, Hong Kong, etc., and costs of operation are high, it is not expected the banks can operate at a profit for some time.

* * *

Bank clearings at the majority of Canadian clearing house centres have been showing steady increases over last year. For the week ended April 22, none of five decreases shown was large. Among the 28 increases, Montreal was about 29% higher with Toronto up approximately 13%.

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4th VICTORY LOAN

THE GOVERNMENT NEEDS $1,100,000,000 TO PROSECUTE THIS WAR AND PROTECT OUR MEN OVERSEAS

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This Bank recommends to its Savings Depositors the investment in the Fourth Victory Loan of their available funds.

The security is the best. The interest rate is attractive and there has never been a time when Dominion of Canada Bonds could not be readily sold or borrowed against at low rates of interest if necessity arose.

Back the Attack!
BUY MORE
VICTORY BONDS
IMPERIAL BANK OF CANADA

THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING APRIL 26

Range 1943 High	Low	Div. Rate $	Apr. 24 Yield %	Company	Sales	Last Apr. 19	Week end. Apr. 26 H	L	Cl'se
1.00	.59			Abitibi	885	.85	.90	.75	.85
8½	5			Do. pref. 6%	825	8	8½	7½	8
9½	8			Algoma Steel, c	167	9	8½	8½	8½
84	81	5	6.1	Do. pref.	35	83	83	82	82
102½	100½	5	4.9	Alum. of Can p	400	101½	101½	101½	101½
133½	105½	8+2	7.9	Aluminium, c.	305	126	126½	125	126
25½	21½	1.40	5.7	Asbestos	690	23½	24½	23½	23½
20	15	1.25	6.6	Assoc. Brew. c.	75	20	19	18	18

Mining Stocks

Week Ending April 26

Range 1943 High	Low	Div. Rate %	Apr. 24 Yield %	Company	Sale	Last Apr. 19	Week Ending April 26 High	Low	Close
1.00	.62	*.17½		Little L. L.	7,055	.69½	.70	.68	.70
3.40	2.26	*.24	8	Macassa	5,465	3.10	3.15	2.97	2.97
1.84	1.51	*.10		MacLeod C.	11,550	1.66	1.68	1.61	1.61
1.26	.70	1.03		Mad. R. L.	22,400	1.08	1.10	1.04	1.04
2.09	1.65			Malartic G.	3,550	1.65	1.75	1.65	1.73

Volume of Stock Sales

	Montreal Markets Ind.	Mines	Toronto Markets Ind.	Vancouver Markets Mines
Apr. 27	12,900	11,700	159,000	......
Apr. 26	11,000	7,200	193,000	......
Apr. 24	12,900	1,800	119,000	13,350
Apr. 23		Holiday		
Apr. 22	17,200	10,500	261,000	16,800
Apr. 21	19,800	6,300	280,000	16,250

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.69	$11.69	$10.28
Hogs	16.70	16.67	15.18
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2195	.2195	.2110
Sugar, raw, lb.	*.0374	.0374	.0374
Wheat, Man. (bu.)	.98¼	.99¼	.79¼
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	103.5	103.5	98.3
Dow Jones (fut.)	91.46	90.80	87.01
Wood, Gundy	80.4	80.4	77.0
Fishers	111.9	112.2	105.6
Monthly Indices			
Canada (D.B.S.):			
Retail (Mar.)	117.2	116.9	115.9
W'sale (Mar.)	98.5	97.5	95.0
U. S. (Jan.)	101.9	101.0	96.0
Gt. Brit. (Jan.)	162.1	161.5	156.4

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic, New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

*Ceiling prices fixed by the office of Price Administration.

Corporation Bonds (Cont'd)

Can. Canners	4	'51	102	104	102
*Can. Int. Paper.	6	'49	107	109	107
‡Can. Locomotive	6	'53	102½	105½	102
‡†Candn. Vickers	6	'47	101	103½	100
C.P.R.	3½	'51	101	103	101
Do.	4	'49	103½	105½	103½

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Econ. Inv. Tr	5%	1957	May 1	102½
Un. Grain Gr. B.	5½%	1949	May 1	102
Do. (C)	4½%	1949	July 2	102
Do., (A)	5%	1948	July 2	101
Shawinigan W.	*4%	1961	Oct. 1	103
*$2,224,000.				
Stock Issues:				
Assoc. Brew.	‡7%	Pref.	May 29	110
‡500 shs.				

Municipal Bonds

April 27, 1943

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	116.00	119.00	3.56
Hamilton	5	1950	110.00	113.00	2.95
Montreal	5	1945	96.00	99.00	*
Ottawa	4½	1945	104.00	105.50	2.07
†Quebec	5	1959	113.75	116.75	3.62
Saint John	5	1950	105.00	108.00	3.83
†Toronto	4½	1955	119.00	122.00	2.35
†Vancouver.	5	1970	108.00	111.00	4.31
Winnipeg	5	1944	100.00	102.25	1.96

†Payable Can. & N.Y. *Flat.

Annual Meetings

1943	Company	Place
Apr. 30	Ashley Gold	Toronto
Apr. 30	Base Metals	Toronto
Apr. 30	Buff. Ankerite Gold	South Porc.
Apr. 30	Can. Iron Foundries	Montreal
Apr. 30	Candn. Fairbanks-M.*	Montreal
Apr. 30	Canadian Locomotive	Kingston
Apr. 30	Dalhousie Oil	Calgary
Apr. 30	Dom. Engineering	Montreal
Apr. 30	Enamel & Heat. Prod.	Sackville
Apr. 30	Foothills Oil & Gas	Calgary
Apr. 30	Home Oil	Calgary
Apr. 30	Hudson Bay M. and S.	Toronto
Apr. 30	Inter. Metal Indust.	Toronto
Apr. 30	Mining Corp. of Can.	Toronto
Apr. 30	McKen. R. L. Gold	Toronto
Apr. 30	McV.-Graham M.	Montreal
Apr. 30	McWatters Gold	Toronto
Apr. 30	Normetal Mining	Toronto
Apr. 30	Ottawa Lt., H. & P.	Ottawa
Apr. 30	Pascalis Gold Mines	Toronto
Apr. 30	Royalite Oil	Calgary
Apr. 30	Southwest Pet.	Calgary
Apr. 30	Traders Finance	Toronto
Apr. 30	United Amusement	Montreal
Apr. 30	George Weston	Toronto
May 3	Winnipeg Electric	Winnipeg
May 4	Sheritt Gordon Mines	Toronto
May 5	Can. Pac. Railway	Montreal
May 5	Jam. Pub. Service	Montreal
May 6	International Mng.	Wilmington
May 7	Matachewan Con. M.	Toronto
May 12	International Paper	New York
May 12	Loblaw Grocet. Inc.	Buffalo
May 24	Minn. and Ont. Paper	Minneapolis

*And special.

Weekly Bank Clearings

	Apr. 22 1943 $	Change Year Ago %	Apr. 15 1943 $
Halifax	3,942,150	+8.3	3,431,179
Saint John	2,815,497	+10.6	2,514,263
Moncton	1,207,165	−1.6	967,822
Sherbrooke	1,171,218	+5.4	876,270
Quebec	5,361,573	+3.8	5,294,353
Montreal	160,216,527	+28.6	114,274,709
Ottawa	63,422,550	−1.5	90,893,197
Kingston	883,189	+25.2	748,920
Peterborough	1,043,037	+24.7	892,317
Toronto	177,663,270	+12.8	113,896,759
Hamilton	9,026,474	+18.8	7,001,726
St. Catharines	1,298,049	−6.5	1,341,208
Kitchener	1,356,990	+3.7	1,267,214
Brantford	1,259,157	+9.9	1,149,771
London	3,154,607	+7.7	3,149,563
Chatham	730,188	+8.1	677,857
Windsor	4,564,530	+5.8	4,680,887
Sarnia	857,465	+118.7	608,414
Sudbury	1,157,963	+36.8	984,481
Fort William	1,102,785	+6.5	940,145
Winnipeg	77,360,307	+52.8	93,972,293
Brandon	537,775	+22.7	524,643
Regina	5,421,785	+48.6	4,887,783
Moose Jaw	986,574	+50.0	808,805
Saskatoon	1,951,312	+24.8	1,884,347
Prince Albert	611,727	+27.8	538,869
Edmonton	10,232,809	+70.5	8,503,053
Calgary	7,224,851	−10.2	7,135,300
Lethbridge	853,093	+22.6	871,530
Medicine Hat	498,226	+58.9	436,883
N. W'minster	851,149	−11.1	743,029
Vancouver	31,061,442	+29.1	24,655,172
Victoria	2,129,238	+7.8	2,039,655

Bond Tenders

12 noon, Apr. 29. Canada Treasury Bills —$55,000,000. dated Apr. 30, 1943, payable July 30, 1943.

*Issue carries arrears of interest.
‡Currently paying on interest arrears.

Investment Trusts

	Bid	Asked
Affiliated Funds	3.00	3.28
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	3.65	4.00
Can. Investors	5.00	...
Corp. Investors	6.00	6.45
Trans-Canada	10.85	11.85

STOCKS NOT TRADED THIS WEEK

Government Bonds

Unlisted Stocks

Unlisted Mines

OIL ROYALTIES

Producing Wells—Prices and Payments

Drilling Wells

Supplementary Bond Quotations

Supplementary Stock Quotations

Corporation Bonds

Oil Stocks

Mining Stocks

Dividends Declared

	This payment $	Date payable	Date of record
Acme Glove, pref.	‡3.25	May 17	Apr. 30
Anglo-Candn. Oil	*■.04	May 15	May 1
Anglo Can. Tel., p.	.68¾	May 1	Apr. 9
Aluminum, pref.	1.25	May 1	Apr. 1
Ault & Wiborg, p.	1.37½	May 1	Apr. 1
Atlas Steels, com.	.15	May 1	Apr. 16
Aunor Gold	.04	June 1	May 7
Bank of Montreal	1.50	June 1	Apr. 30
Bank of Toronto	2.50	June 1	May 15
Bathurst Pr. & P., A	.25	June 1	Apr. 30
Belding Corticelli	1	July 1	May 31
Do., pref.	1.75	July 1	May 31
Berens River Mines	*.03	June 10	May 7
Brewers & Dist.	■.50	May 20	Apr. 20
Do., bonus	■.10	May 20	Apr. 20
Brazilian Tr.	.75	June 15	Apr. 27
B. C. Tele., 2nd pf.	1.50	May 1	Apr. 16
Broulan Porc.	*.03	May 31	Apr. 30
Bruck S. Mills	■.10	June 15	May 14
Caldwell Linen, pref.	.37	May 1	Mar. 31
Do., 2nd pref.	.20	May 1	Mar. 31
Can. Marconi	.04	June 1	Apr. 15
Calgary Power, p.	1.50	May 1	Apr. 10
Corr. Paper Box, p.	1.75	June 1	May 17
Do., arrears	7	June 1	May 17
Can. For. Invest., c.	■.70	May 1	Apr. 1
Can. For. Invest., pf.	■2	July 1	June 1
Can. Int. Inv. Tr., p.	.50	June 1	May 10
Can. Malartic Gold	.02	June 30	May 6
Can. W. Nat. Gas, c.	1	Apr. 30	Apr. 26
Can. Bk. Commerce	1.50	May 1	Mar. 31
Can. Bakeries, pfd.	1.25	June 1	Apr. 30
Can. Dredge & D.	1	May 1	Apr. 1
Can. Nor. Power	.15	July 26	June 19
Do., pref.	1.75	July 15	June 19
Can. Breweries, pf.	.85	July 1	May 15
Can. Bronze	.37½	May 1	Apr. 9
Do., pref.	1.25	May 1	Apr. 9
Can. Crushed Stone	.10	June 15	June 1
Can. Investors	.10	May 1	Apr. 17
Do., extra	.05	May 1	Apr. 17
Candn. Ins. Shs.	1.00	May 11	Apr. 30
Candn. Oil Cos.	.25	May 15	Apr. 30
Cockshutt Plow	.25	June 1	May 15
Coast Brew.	.03	May 1	Apr. 15
Consumers Glass	.50	May 31	Apr. 30
Can. Inv. Fd. sp. ord.	.04	May 1	Apr. 15
Cosmos Imperial	.30	May 15	Apr. 30
Crown Cork	.50	May 15	Apr. 15
Cochenour Willans	.03	June 1	May 10
Dom. Fabrics, 1st pf.	.75	May 1	Apr. 15
Do., 2nd pf.	.37½	May 1	Apr. 15
Do., com.	.20	May 1	Apr. 15
Dominion Bank	2	May 1	Apr. 15
Dom. Engineering	2	May 15	Apr. 19
Dominion Tar, p.	1.37½	May 1	Apr. 1
Distillers Seag., p.	†1.25	May 1	Apr. 15
Dom. Scot. Invest., p.	■1	June 1	Apr. 30
Dominion Stores	.10	June 19	May 24
East. Steel Prod.	.25	June 1	May 14
Falconbridge N.	.07½	June 30	May 4
Famous Players	.25	May 1	Apr. 16
Federal Grain, p.	▲2	May 1	Apr. 15
Ford Motor, A, B	.25	June 19	May 29
Gordon & Bel., A, c.	*2	May 1	Apr. 24
Do., B com.	*.40	May 1	Apr. 24
Hedley Mascot	.02	May 15	Apr. 21
Hallnor Mines	.10	June 1	May 7
Hiram Walker	1	June 15	May 14
Do., pref.	.25	June 15	May 14
Home Oil	*■.15	June 15	May 10
Honey Dew	.50	July 1	June 15
Imperial Bank	2	May 1	Mar. 31
Inter. Metal p. & A p.	1.50	May 1	Apr. 15
Do., arrears	‡5	May 1	Apr. 15
Inter. Nickel, pfd.	1.75	May 1	Apr. 1
Int. Utilities, pfd.	†.87½	May 1	Apr. 21
Island Mount'n G.M.	*.05	May 25	Apr. 23
Italo-Arg. El.	3.50 pesos	May 6	Coup. 49
Kirkland L. G.	.02	May 4	Apr. 1
Lamaque G. M.	.10+.05	June 1	Apr. 30
Langley's pref.	■.50	Jun. 11	Jun 3
Do.,	■.50	Sep. 11	Sep. 3
Do.	■.50	Dec. 11	Dec. 3
Leitch G. M.	.02	May 15	Apr. 15
Loblaw Groc. Inc.	.25	June 1	May 14
Laura Secord	■.20	June 1	Apr. 30
Loblaw Groc., A, B	.25	June 1	Apr. 30
Do., extra	.12½	June 1	Apr. 30
Montreal Cottons	1	June 15	May 31
Do., pref.	1.75	June 15	May 31
Madsen R. Lake	.03	May 20	Apr. 20
McMarmac R. Lake	§.04	May 10	Apr. 20
Neilson, Wm., p.	1.75	May 31	May 17
Neon Pr. W. Can., p.	1.50	May 1	Apr. 15
Noranda Mines	1	June 15	May 14
Ogilvie Flour	.25	July 1	May 28
Do., pref.	1.75	June 1	Apr. 30
Ont. Steel Prod.	.25	May 15	Apr. 15
Do., pref.	1.75	May 15	Apr. 15
Penmans	.75	May 15	Apr. 15
Do., pref.	1.50	May 1	Apr. 1
Powell Rouyn	*.02	May 15	May 1
Proprietary M.	.05	May 6	Apr. 5
Pressed Metals	†.25	May 15	Apr. 15
Privateer Mine	■.02	May 10	Apr. 25
Quebec Power	.25	May 25	Apr. 19
Rolland Paper	.15	May 15	May 5
Do., pref.	1.50	June 1	May 15
Regent Knit, pfd.	.40	June 1	May 1
Do.,	.40	Sept. 1	Aug. 2
Do.,	.40	Dec. 1	Nov. 2
Royal Bank	1.50	June 1	Apr. 30
Royal Trust	.80	May 1	Apr. 20
Saguenay Pwr., p.	1.37½	May 1	Apr. 14
Shawinigan W.	.22	May 25	Apr. 19
Sherwin Wms.	.15	May 1	Apr. 15
Do., pref.	1.75	July 2	June 10
Simpsons Ltd.	▲2.00	June 15	May 15
Siscoe Gold	.01½	June 15	May 12
Simpsons, pref.	1.62½	May 1	Mar. 31
Do., arrears	2	June 15	May 15
South Can. Pwr.	.20	May 15	Apr. 20
Steel of Can.	.75	May 1	Apr. 7
Do., pref.	.75	May 1	Apr. 7
St. Law. Flour	.35	May 1	Mar. 31
Do., extra	.50	May 1	Mar. 31
Do., pref.	1.75	May 1	Mar. 31
Teck-Hughes	■.10	June 1	Apr. 30
Toburn Gold	.01	May 22	Apr. 22
United Corp. A.	.37	May 15	Apr. 15
Waite Amulet	.15	June 10	May 10
Western Brew.	.15	May 15	May 1
Wilsil	.25	July 1	June 1
H. Walker-Good.	1	June 15	May 14
Do., pref.	.25	June 15	May 14
Westminster Paper	.25	May 1	Apr. 15
Weston, Geo., pfd.	1.25	May 1	Apr. 8
Wood A. & J., pfd.	1.75	May 1	Apr. 15
Zellers	.20	May 1	Apr. 15
Do., pref.	.37½	May 1	Apr. 15

†N. Y. funds. ■Subject to approval of Foreign Exchange Control Board. ▲On arrears. *Interim. ‡Arrears eliminated by this payment. §Initial. ♦Extra payment eliminating arrears.

Paramount Kitchener

Reserves for income and excess profits taxes of Paramount Kitchener Theatres, Ltd., for the period between Jan. 1, 1942 and Jan. 2, 1943, were $8,646, as compared with $713 in the previous parallel period. Cash in bank was $3,915 as compared with $8,253, but holdings of government bonds were $10,000 against none in the previous year.

Income and Surplus Account

	Jan. 1 1942 Jan. 2 1943	Dec. 29 1940 Dec. 31 1941
Total earnings	$ 12,785	$ 18,123
Less: Depreciation	6,003	3,765
Inc. & E. P. taxes	2,719	8,046
Net profit	4,063	6,313
Less: Pref. divds.	5,527	7,895
Deficit for year	1,464	1,582
Add: Prev. surplus	6,424	8,001
Less: Loss on bonds	15	*5
Earned surp. fwd.	4,945	6,424
*Profit.		
Earned per share: Pf.	$2.57	$3.99
Paid	3.50	5.00
Working capital	$12,673	$8,148

Quebec Power

Quebec Power Co.'s gross and net earnings, the latter before taxes, show little change in the first quarter of this year as compared with the same period of 1942.

For the three months ended last March gross revenue totalled $1,057,581, or about $27,000 more than in the same period last year. Lower operating and fixed charges were offset by an increase in reserve for depreciation, leaving net profit, subject to income and profits tax, at roughly the same level as in 1942.

Revenue & Expense Account Three Months Ended March 31

	1943	1942
Gross revenue	$1,057,681	$1,030,803
Less: Oper. charges	519,298	526,473
Fixed charges	121,645	122,920
Depreciation	112,500	75,000
Net profit*	304,238	306,410

DIVIDEND NOTICES

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of THIRTY CENTS (30c) per Share on the Outstanding No Par Value Shares of this Company has been declared for the Quarter ending 30th April, 1943, payable 25th May, 1943, to Shareholders of record at the close of business on the 30th April, 1943.

By Order of the Board,
F. W. EVENS, Secretary.

Montreal, Que., 27th April, 1943.

DIVIDEND NOTICES

BANK OF MONTREAL

ESTABLISHED 1817

DIVIDEND NO. 330

NOTICE is hereby given that a DIVIDEND of ONE DOLLAR AND FIFTY CENTS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of JUNE next, to Shareholders of record at close of business on 30th April, 1943.

By Order of the Board
B. C. GARDNER, General Manager.

Montreal, 20th April, 1943.

The Royal Bank of Canada

DIVIDEND NO. 223

NOTICE is hereby given that a dividend of one and one half per cent (being at the rate of six per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Tuesday, the first day of June next, to shareholders of record at the close of business on the 30th day of April, 1943.

By order of the Board.
S. G. DOBSON, General Manager.

Montreal, Que., April 13, 1943.

Cochenour Willans Gold Mines, Limited

(No Personal Liability)
DIVIDEND NOTICE
INTERIM DIVIDEND NO. 8

NOTICE IS HEREBY GIVEN that an interim dividend of three cents per share in Canadian funds has been declared on the issued capital stock of Cochenour Willans Gold Mines, Limited (No Personal Liability) and will be paid on the 1st day of June, 1943, to shareholders of record at the close of business on the 10th day of May, 1943.

By Order of the Board.
G. M. HUYCKE, Secretary.

Toronto, Ontario, April 21st, 1943.

Canadian Malartic Gold Mines Limited

25 King Street West, Toronto
DIVIDEND NO. 20

NOTICE IS HEREBY GIVEN that a dividend of 2 cents per share has been declared by the Directors of Canadian Malartic Gold Mines Limited, payable in Canadian funds on June 30th, 1943, to shareholders of record May 6th, 1943.

By Order of the Board.
H. WHITTINGHAM, Secretary-Treasurer.

April 22nd, 1943.

DIVIDEND NOTICE

Hiram Walker-Gooderham & Worts Limited

DIVIDEND NO. 92

A quarterly dividend of 25c a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this Company, payable Tuesday, June 15, 1943 to shareholders of record at the close of business on Friday, May 14.

DIVIDEND NO. 93

A dividend of $1.00 a share has been declared on the outstanding no par value Common Stock of this Company payable Tuesday, June 15, 1943, to shareholders of record at the close of business on Friday, May 14.

By Order of the Board.
FLETCHER RUARK, Secretary.

Walkerville, Canada
April 13, 1943.

WAITE AMULET MINES, LIMITED

DIVIDEND NOTICE.

Notice is hereby given that an interim dividend of Fifteen Cents (15¢) per share, payable in Canadian funds, has been declared by the Directors of WAITE AMULET MINES, LIMITED, payable June 10, 1943, to shareholders of record at the close of business May 10, 1943.

By order of the Board.
J. R. BRADFIELD, Secretary.

Toronto, Ont., April 22, 1943.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that a quarterly dividend of 25 cents per share and a bonus of 12½ cents per share on the Class "A" shares, and a quarterly dividend of 25 cents per share and a bonus of 12½ cents per share on the Class "B" shares of the Company have been declared for the quarter ending May 31st, 1943, payable on the 1st day of June, 1943, to shareholders of record at the close of business on the 30th day of April, 1943. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.
R. G. MEECH, Secretary.

Toronto, April 22nd, 1943.

Belding-Corticelli Limited

Notice of Preferred Stock Dividend No. 114

A dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, for quarter ending 31st May, 1943.

Notice of Common Stock Dividend No. 69

A dividend of one per cent (1%) has been declared on the Common Stock of this Company, for quarter ending 31st May, 1943.

The above dividends are payable on the 1st day of July, 1943, to shareholders of record at the close of business the 31st day of May, 1943.

By Order of the Board,
D. F. POLLOCK, Secretary.

Borden's

COMMON DIVIDEND No. 133

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable June 1, 1943, to stockholders of record at the close of business May 15, 1943. Checks will be mailed.

The Borden Company
E. L. NOETZEL, Treasurer

'Peg Wheat Market Sags

Lull in U. S. Buying Slows Recent Activity

From Our Own Correspondent

WINNIPEG.—The wheat market has been comparatively quiet during the past week, after excitement occasioned by purchases here, through Commodity Credit Corp. of grain for the account of the U. S. Government.

Total of these is now put at 7.5 million bushels, and reports from south of the line indicate that large additional purchases in the near future are to be expected.

But in the interval there has been a tendency toward slight weakness in the market, with all futures slipping well below the dollar level. Prices, however, are sufficiently above the 90-cent base of the Canadian Wheat Board to ensure that new deliveries made at country elevators by farmers are sold on the market instead of going to the Board.

Last week such deliveries amounted to four million bushels, and could have been larger except that preference in movement is being given to coarse grains.

Last week's coarse grains deliveries were one million bushels greater than those of wheat. The situation was even more pronounced at the beginning of this week when in one day more than 1.1 million bushels of coarse grains were delivered at country elevators as against 680,000 bushels of wheat.

Oats and Barley

Demand for oats and barley still keeps prices for these grains at ceiling levels, in spite of increasing deliveries. The new system of equalization fees, to be paid for permits to export such grains to the United States, is not thus far producing much revenue to be paid in to the Canadian Wheat Board for subsequent distribution among farmers.

In the case of oats the cost of such permits has been put at six cents a bushel, subject to change from day to day, but it would appear that few if any permits have been taken out. There seems to be a danger of shutting off interest south of the line in Canadian oats if permits are charged for at a rate calculated to absorb practically all of the price advantage in buying grain on this side of the line at ceiling prices, and reselling it across the border.

Winnipeg wheat prices are somewhat down from recent levels, due to a lull in U. S. purchases, which thus far have amounted to 7.5 million bushels. But indications are that American buying will soon be resumed — that Washington, through Commodity Credit Corp., will buy much more during the year.

The demand from eastern Canada and from mills is sufficient to absorb present offerings. With respect to barley no fee has yet been charged, although permits continue to be issued. Barley shipped south is practically all bought on a sample basis, intended for malting. Varying circumstances in respect to different shipments make it difficult or impossible to fix a fee based on current market quotations that would seem to cover the different types shipped and the different destinations to which barley is consigned.

The opening of navigation has been eagerly anticipated, and there has been a much greater demand for cargo space for grain than could be filled. Most of the commitments for the opening so far as wheat is concerned have been for the Commodity Credit Corp.'s purchases.

Demands for space for oats and barley, for shipment to American buyers on Lakes Superior and Michigan as well as on the Lower Lakes, have been heavy. That is particularly the case since it has been ruled that railway cars cannot be supplied at the lakehead for movement all rail to U. S. destinations. Cars available are being held for grain movements to destinations in eastern Canada.

The railways have lately made some increase in the number of cars available for shipping grain from country elevators. Because of the late opening of navigation, and the release of terminal space at the lakehead, cars were arriving there, for a brief period, more rapidly than they could be unloaded. That situation will be corrected soon as a few cargoes of grain have been put aboard boats at the terminals.

The Business Of Farming

By GORDON L. SMITH

From numerous parts of the country come reports of a sharp increase in the sales of farms. In many cases these are excellent improved properties in full production. Their previous owners usually retire and so the authorities, concerned with greater food production are disturbed about the trend. What can be done to stop it, however, is another matter.

The development is perfectly natural and corresponds very closely with the unusual activity in sales of developed urban real estate. In the majority of cases these farms are being sold by owners who have been anxious to retire for some time. Until recently, however, farm values have been depressed and there was little hope of getting out of the business without serious loss.

* * *

Farm Values Improve

Five years ago, many farms could not have been sold for more than the replacement value of the buildings alone and sometimes for a good deal less. Now with livestock and livestock products worth considerably more and in almost unlimited demand, the farm owner has an excellent chance to realize on his investment.

In the interests of greater food production it would help matters if these farmers of retiring age could be induced to continue active operations until after the war but if our economic pattern follows that of the First Great War period they would be doing so only at the risk of heavy personal sacrifice. Shortly after the peace in 1919, it will be recalled, farm values slumped with alarming suddenness, and have in fact, not yet fully recovered in many communities.

* * *

New Industrial Crops

Canada's meagre results in the production of rubber producing plants and industrial crops generally have been received with a good deal of impatience in some quarters. Apparently the expectation was that the Dominion would be producing hundreds of thousands of acres of such crops this year.

Such development, however, would be absolutely impossible because of the utter lack of such basic requirements as proper seed, skill and equipment. Introduction of a new industrial crop on a commercial scale is a much more complicated and tedious process than starting a new manufacturing process, and even the latter job, as North Americans have discovered in this war, is not as simple and speedy as many people imagined. Before the farmer is ready to take on the new job there must be a great deal of experimental work, sometimes spread over many years.

* * *

Rubber Plants

The experience of the Dominion Experimental Farms with rubber producing Russian dandelion is typical. In the first place a supply of seed for experimental purposes had to be secured. Then this has to be tested over wide areas in Canada to determine where maximum yields could be secured. Soil and climate were factors in this connection both having an important influence on growth, wintering ability and the percentage of raw rubber extracted from the roots. Incidentally this percentage was found to vary widely in different parts of Canada, even more so than the percentage of sugar beets grown in different parts of the country.

The plants had to be inspected for possible diseases and insect enemies and then studied generally with a view toward fitting it into other Canadian farm production. At the same time an adequate seed supply had to be established from first experimental, then commercial seed crops grown in Canada.

Hand in hand with this agricultural development would be experiments to determine the most practical ways of processing the crops.

So far as the Russian dandelion is concerned, the authorities seem to have reached the point where, if this year's plantings prove satisfactory, we will soon have enough seed for a start on commercial production. This year apparently the stage has been reached for large scale field trials to confirm experimental plot findings. Sometimes a plant may make an excellent showing in the latter only to develop some fatal weakness when grown more widely.

* * *

A Slow Process

The whole process is admittedly slow largely because growth is slow. Nature produces but one crop a year within most of Canada, though in the initial experimental stages scientists may speed things along by using greenhouses for a second crop in the winter.

But even with every short cut it takes several years to build up a commercial seed supply from the original pound or so of suitable seed produced from the original experimental plot.

And, of course, a supply of commercial seed of a type adapted to Canadian soil and climate is not the only essential. Farmers to whom that seed is entrusted must also be supplied with certain vital information. They rely on the scientist to tell them when this new crop must be sown, how it can be cultivated, protected from disease and insect pests, when it is ready to harvest and how it should be cured.

* * *

Big Block of Grain

Notwithstanding the heavy export and feeding of grain on the farms this winter, stocks remain enormously high throughout the Dominion. At the end of March it was estimated that the total amounted to almost 1.4 billion bushels or almost twice as much as the 735 million bushels reported for the same date a year earlier.

Wheat accounts for 57% of the total with the remainder in coarse or livestock feed grains of approximately 600 million bushels. The increase in this line is of record-breaking proportions. This, of course, is the backlog upon which the authorities are counting for producing the tremendously increased amounts of meat and dairy products called for this year.

* * *

Billions of Pounds of Meat

If fed entirely to beef cattle and hogs this backlog of coarse grains with the necessary complement of minerals, concentrates, and vitamins, is capable of producing approximately 6 billion pounds of meat or about ten times our bacon export commitment to Great Britain.

Of course, it would not be possible to use the grain all for this purpose because we have an enormous herd of dairy cattle, a huge flock of poultry, and breeding stock in all lines to feed as well and a little of this coarse grain will also go for human consumption. On the other hand, a considerable percentage of the wheat, especially the lower grades, will be fed to livestock.

About 60% of the coarse grain, it is estimated, remained in western farmers' hands at March 31. To utilize this for livestock feed a good deal of it will have to be shipped to eastern Canada where there is a shortage of grain and a surplus of livestock for feeding.

CITY OF MONTREAL

NOTICE

Bonds of the City of Montreal
Due: 15th December, 1942

The semi-annual interest on these bonds will be paid on June 15th, 1943.
Transfer books will be closed from 15th May to 15th June inclusively.

L. ROBERGE, Director of Finance.

Office of the Director of Finance,
City Hall,
Montreal, 26th April, 1943.

CHAIRMAN

Eric F. Thompson, general agent, steamship passenger department, Canadian Pacific Railway, who has been elected chairman of the Board of Trade Club of Toronto.

Plane Contracts Now $62 Millions

Noorduyn Reports Unfinished Orders on Books — U. S. Air Force Taking Norsemen

From Our Own Correspondent

MONTREAL.—Noorduyn Aviation Ltd.'s backlog of business is continually increasing and, at present, unfinished orders on the books have a value of approximately $62 millions, according to a statement made by R. B. C. Noorduyn, vice-president and general manager, at the annual meeting of shareholders.

Deliveries of a large order of Noorduyn Norseman (U.C.-64 planes) to the U. S. Army started early this year, Mr. Noorduyn stated.

No Standard Profit

Commenting on the balance sheet, he told the shareholders the company had presented its case on standard profits to the board of referees at Ottawa. To date no decision has been handed down. As soon as one is reached, he said, shareholders will be advised.

Shareholders also were told that relations with employees, now exceeding 9,000 in number, are "very good." Mr. Noorduyn said the renewed agreement, signed two weeks ago, will be in force until July 1, 1944.

Trans-Canada Air Lines Set Passenger Record

Trans-Canada Air Lines carried more passengers in March than in any month in its history, according to O. T. Larsen, vice-president.

Passengers carried last month numbered 10,887, or 3,094 more than for the same month last year. For the first quarter of 1943 the number of passengers carried totalled 28,352 or 9,353 over the corresponding 1942 period.

Industrial Acceptance Corp.'s volume of business so far this year has been satisfactory, considering conditions, Russell D. Bell, president, told shareholders at the annual meeting. Subsidiary companies also were doing well, he said.

Ritz-Carlton To Reorganize

Montreal Hotel Proposal Cuts Interest Charges by Over Two Thirds

From Our Own Correspondent

MONTREAL. — Bondholders of Ritz-Carlton Hotel Co., Montreal, Ltd., meet in Montreal July 14 to consider a reorganization plan, designed to reduce the annual fixed charges on the first and general mortgage bonds from $83,547 to $26,847 a year.

The plan is not a complete reorganization. It affects only the bondholders. The outstanding $1 million of 7% preferred which is in arrears of dividends since Jan. 1, 1911, and $1 million of common stock, are not affected by the scheme.

Holders of the outstanding $647,500 of 5% first mortgage bonds, in arrears since June 1, 1938, will receive a like amount of new first mortgage bonds carrying an interest coupon of 2½%. Maturity date is to be extended to Jan. 1, 1973.

In accepting the plan, holders will cancel all interest arrears, except for 1940-41-42. Non-interest bearing certificates for interest arrears will be given at the rate of 60% for 1940, and 100% for 1941 and 1942 arrears. These certificates are payable Jan. 1, 1973.

New General Mortgage

Holders of the outstanding $852,375 of 6% second mortgage bonds will receive a like amount of general mortgage bonds, carrying a coupon of 1¼%, due Jan. 1, 1973. It is proposed to cancel arrears of interest up to the end of 1940 and to give certificates of indebtedness, similar to those for the first mortgage bonds, on the basis of 30% of 1941 interest and 40% of 1942 interest.

The plan provides for the issuance of $120,995 of the certificates of indebtedness; $84,175 go to holders of the first mortgage and $35,820 to holders of the second mortgage bonds.

According to the arrangement, no dividends can be paid by the company until the new bonds are cancelled or called for redemption.

Can. & Dom. Sugar

Canada & Dominion Sugar Co. reports comparatively little change in its earning position for 1942. Net profit for the year equalled $1.32 a share as compared with $1.12 in the 11 months ended Dec. 31, 1941, the fiscal year end being changed in 1941.

Balance sheet as at Dec. 31, 1942, reveals a drop of some $3.2 millions in inventories to $5.2 millions. Cash position improved to close to $3.2 millions from $212,037 while investments moved up around $800,000 to $9.1 millions.

Cons. Income & Surplus—Yrs. End. Dec. 31

	1942	*1941
Operating profit	$3,035,643	$2,771,724
Add: Inv. int.	293,833	299,765
Prof. bd. sale	178,232	49,119
Less: Dirs. fees	12,600	15,400
Exec. & legal fees	85,695	85,391
Depreciation	203,295	183,136
Taxes	1,225,000	1,150,000
Net profit	1,981,117	1,686,681
Less: Dividends	1,725,000	2,250,000
Surplus for year	256,117	d563,319
Add: Prev. surplus	2,382,070	2,945,389
Surplus forward	2,638,187	2,382,070
*11 months. d-deficit.		
Earned per Share	$1.32	$1.12
Paid	1.15	1.50
Working capital	$16,346,446	$15,750,947

Wheat Prices

Winnipeg Grain Futures

Week of April 26, 1943

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Apr. 26
		Wheat			
1.02⅝	.91¾	May	1.01	.97⅝	.97¾
1.03⅜	.95⅛	July	1.01⅝	.98½	.98¾
1.03¼	.96	Oct.	1.02¼	.98⅞	.99
		Oats*			
.51½	.45⅜	May	.51½	.51½	.51½
.51½	.47⅝	July	.51½	.51½	.51½
.51½	.49⅜	Oct.	.50⅜	.49⅞	.50½
		Barley*			
.64¾	.62⅝	May	.64¾	.64¾	.64¾
.64¾	.62⅝	July	.64¾	.64	.64¾
.64	.64	Oct.	.64	.64	.64
		Rye			
.78⅝	.56¼	May	.78⅝	.76⅞	.76⅞
.78⅞	.65	July	.78⅞	.77⅝	.77⅝
.79¾	.70½	Oct.	.79¾	.78	.78⅛

*At ceiling.

Cash Quotations

	For Week Apr. 26 High	Low	Prev. Week High	Low
Wheat:				
1 Nor.	1.00	.98¼	.99⅞	.96
2 Nor.	.97	.94¾	.96⅝	.92½
3 Nor.	.95⅝	.93	.94⅝	.90¼
4 Nor.	.92⅝	.88¾	.92⅛	.88
5 Wheat	.89⅞	.85¾	.89⅝	.85½
6 Wheat	.89⅝	.84¾	.89⅛	.85
Oats:				
2 C. W.	.51⅜	.51¼	.51¼	.51⅛
3 C. W.	.49⅛	.49⅛	.49¼	.49¼
Barley:				
1 Feed	.61⅛	.61¼	.61⅛	.61¼
2 Feed	.59½	.59½	.60	.59½
Rye:				
2 C. W.	.78⅝	.76⅝	.76¾	.73½

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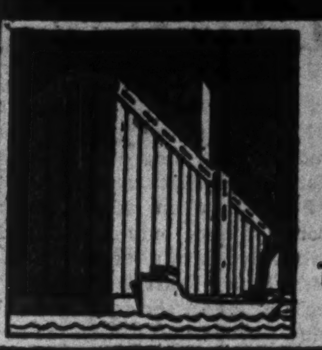

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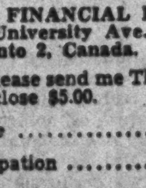

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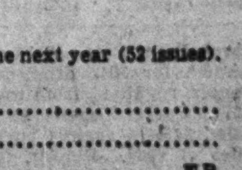

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Manitou New Mill Unit Finished

Labor Shortage Delays Increase in Production

With rated mill capacity now boosted from 600 to 900 tons daily, Golden Manitou Mines is making efforts to use its new capacity fully. So far, milling rate has been lifted to a little over 700 tons a day due to the influence of chronic labor shortage.

Labor continues the key factor surrounding all the company's efforts in turning out zinc. If the company had the men it could turn out eight million more pounds of zinc a year. New arrangements with Selective Service will correct the present situation, it is hoped, but the management is making no predictions on future results.

With a crew of 230 men the company has had as many as 6% absentees over a period of three days and even when new men promise to turn up for work there is no assurance they will. Many of the men are making more money than they ever have before and with current high rates of taxation on added income, some miners only turn up for work five days a week.

Slows Shaft Work Too

The labor shortage has also slowed up the operation as a whole. Sinking from 500 to 1,000 ft. was started some time ago but the shaft is down only a little over 600 ft. at present. Limited diamond drilling is being carried on, little more than enough to guide operations.

Despite difficulties, results have corresponded fairly closely with preproduction estimates.

Financial Situation

Recently it was asked in the House of Commons if any of the $375,000 bank loan guaranteed by the Dominion Government had been repaid. Neither this loan nor the $425,000 of bonds sold privately has been retired but the level of earnings already achieved is expected to allow retirement of all indebtedness in a relatively short time.

In March the company realized a profit of $62,000 after allowing for bond interest and head office administration (but before special amortization). April results may be slightly below March but earnings are running close to the three quarters of a million mark and an increase by 50% is a definite possibility when the labor supply allows a production rate of 900-1,000 tons daily.

An important item in earnings is the higher but unrevealed price for zinc concentrates provided under the company's second contract with the Metals Reserve Co.

Expansion from 600 to 900 tons capacity meant some deferment on liquidation of indebtedness and eventual distributions to shareholders, but the higher earning possibilities may shortly more than offset this.

Recoveries Standing Up

Zinc concentrates shipped to the United States are running nearly 55% zinc compared with 50% called for under contract. A bonus will be received for any concentrates shipped running over 55% zinc. Zinc recovery itself is still improving and so is recovery of gold and silver.

From the information available the future of the company appears reasonably assured for a considerable time even on the basis of milling 1,000 tons a day. In February ore blocked out down to the 500-ft. level was estimated at 500,000 tons of 8½ to 10% zinc, 0.08 oz. gold and 3.30 oz. silver per ton. Diamond drilling has indicated the continuity of the ore zone down to the 1,000-ft. horizon and it appears to be at least an even bet that the section from 500 to 1,000 ft. will turn out as good as the original lift of 500 ft. Much further ore is anticipated from the first 500-ft. section than the 500,000 tons of presently proved ore. The ore zone has been drifted on for over a length of 1,000 ft. and geological formation is favorable for parallel occurrences.

The trend of earnings has shown a fairly steady increase despite the labor situation. The $62,000 March profit compares with $52,000 for February and $42,000 in January.

Nickel Deliveries Meet All War Needs—Stanley

Inco President Calls for Intensification of Efforts to Achieve Victory — Says Management Must Prepare for Return of Peace

Despite the huge increase in the demand for nickel for war purposes, International Nickel Co. has been able to fill every essential need, President R. C. Stanley revealed at the company's annual meeting this week.

"While we have strained our production facilities to the utmost, essential deliveries of nickel have been made promptly and no shutdowns of essential war production are known to have occurred due to failure of nickel supply," Mr. Stanley stated.

Reviewing the present situation and obligations for the future, Mr. Stanley urged that "with ultimate victory in sight, we must further intensify rather than slacken our efforts to end the war; moreover, it is the duty of industrial management to prepare now for the return of peace."

Expansion in 1943 is expected to entail substantially lower disbursements — probably not exceeding $9 millions compared with $12 millions in 1942 and $11.7 millions in 1941. Depletion and depreciation provisions for 1942, including special amortization, amounted to $13 millions, Mr. Stanley noted, offsetting capital expenditures.

Labor Shortage

The output of nickel in common with that of other essential metals depends upon an adequate supply of suitable labor, he pointed out.

In the countries in which International Nickel operates there is stated to have been an acute shortage of labor which has affected not only mining, smelting, refining and rolling mill divisions but also offices, laboratories and technical personnel. Women have been found helpful in relieving the labor situation in Canada, with 700 now employed.

Attention was drawn by Mr. Stanley to the tremendous increase in taxation since 1937 which was the company's most profitable year. In 1937, $2.25 a share was paid in dividends while 71 cents a share was paid out in taxes. In 1942, dividend disbursements totalled $2 a share while taxes amounted to $1.72 a share.

Postwar Plans

Reviewing plans for after the war, Mr. Stanley declared that "the company's accomplishments during the war, coupled with intelligent planning at this time, foreshadow equally satisfactory accomplishments in the postwar period. One needs only to visualize the endless procession of trucks, tanks, planes and ships moving to the fighting front in order to realize the diversified usage of nickel in war material.

"More manufacturers are now using nickel than ever before and are becoming familiar with its qualities. It is quite likely that many wartime uses of today will become peacetime uses of tomorrow. I believe that sufficient new applications, including many originating in the war period, will persist to more than offset former peacetime uses lost to competitive substitutes such as plastics and other metals and alloys."

Mining INVESTMENTS

Should Canada broaden her prospecting drive to include gold as well as war metals and minerals so new gold mines will be available for opening up after the war?

Strong advocacy of this policy—to be backed by tax concessions—was heard in the House of Commons recently when two Liberal members, Arthur G. Slaght, Parry Sound and W. Little, Temiskaming, spoke against their party's resolution to suggest this as a good time for gold prospecting. Arthur Slaght pointed to gold mines found in wartime as possible postwar projects, suggested that if mining is to be kept in a healthy condition generally, encouragement will have to be extended through to gold mines.

Finance Minister Ilsley disposed of the request with the statement that the government is committed to a policy of winning the war first and the principle of expenditures for postwar projects—which the tax concessions sought would involve—had not yet been conceded.

Many mining men nevertheless lean more and more to the belief that wartime gold prospecting is not only desirable but essential if the industry is not to be hamstrung after the war by lack of prospects. It is realized, however, that development of new gold mines during the present stage of the war is out of the question.

• • •

Need for quartzite ball-mill pebbles (a substitute for steel grinding balls at mines) can be supplied by the "practically inexhaustible" resources of three areas investigated in Saskatchewan — Swift Current, East End and Cadillac—according to a survey conducted by the Saskatchewan Department of Natural Resources.

With steel for grinding balls becoming more difficult to secure, consideration has been given to use of quartzite pebbles as a substitute. Pebbles were formerly imported from Denmark and other sources.

Only limited work has been carried out so far but deposits are stated to be definitely worthy of further investigation.

• • •

A cobalt mill of 25 tons daily capacity is being erected at Werner Lake in the Kenora area by a private individual under a leasing arrangement with Kenora Prospectors (a Ventures company) which owns the claims.

Some cobalt production has been taken in the past from this property, and with a mill available, treatment of lower grade material will be possible. Few details have come out on the operation but it is understood to show only relatively small-scale showings although testing at depth might reveal broader possibilities.

The Week in Oils

From Our Own Correspondent

CALGARY.—Turner Valley's two latest completions, one in the north extension, east side, the other on the central west flank, have completed acidizing and are on test to determine allowable. Both showed themselves capable of high flush production.

Home Millarville No. 14, the north extension east side completion, is expected to receive an allotment of at least 600 bbls. per day. This well, in a brief wide open run following acidizing, produced 1,948 bbls. in 15 hours, with a gas-oil ratio of about 1,800 cu. ft. per bbl.

Lion-Sunray No. 2, on the central west flank, is expected to receive a quota in the neighborhood of 500 bbls. per day. This well, while evidently capable of a flush yield of 60 bbls. hourly or more, was unable to operate wide open because of shortage of tankage.

• • •

Test Kinsella Area

General Pete (Kinsella) No. 1, located in L.S.D. 16 29-44-8w4, on the central Alberta plains, about 10 miles west and south of the Wainwright oilfield, just over 20 miles southeast of the Kinsella gasfield, and 30 miles southeast of the Viking gas field, will be the first in a three-well programme to test oil and gas prospects in an area comprising township 44 ranges 8, 9 and 10, all west of the 4th meridian. Programme has been fully financed.

Initial objective at the No. 1 well is a lower cretaceous sand (expected around 1,900 ft.), believed to correspond to the big gas sand being tapped at the Viking and Kinsella gas fields. The new test is down plunge from the gas fields, and prospects for oil in this sand are regarded as quite favorable by Geologist S. E. Slipper, who did work for the company which developed the Viking and Kinsella gas fields, and who picked the site for the new programme.

Second objective at the No. 1 well—the sand corresponding to the oil sand being tapped at Wainwright—is looked for about 130 ft. below the initial objective. The Devonian limestone contact is expected around 2,100 ft., (Drilling contract calls for drilling 10 ft. into the lime).

Phillips Petroleums Ltd. controls the largest interest in the Kinsella programme. It is acquiring 30 of 50 preferred royalties plus an accompanying 120,000 shares, and in addition is acquiring 11 of the 20 units in the General Pete. (Kinsella) Syndicate, including a further 130,000 shares in General Pete (Kinsella) Ltd. The drilling contractor, General Petroleums Ltd., also has acquired a substantial interest in the royalty units, in the shares of the company, and in the syndicate.

• • •

Saskatchewan Lime Test

Norcanols-Ogema No. 1 in southern Saskatchewan has reached its initial objective, the Madison limestone, around 4,821 ft., and at last report was making hole around 5,069 ft. The bit is believed to have penetrated the first porous zone of the Madison, but data on this is not yet available.

Norcanols Radville No. 1 well, in the same area, topped the Madison at 4,979 ft., and encountered an oil-bearing zone about 130 ft., below the lime contact. Carried to the Devonian, to a total depth of about 8,000 ft., this well was finally lost because of mechanical difficulties, before an adequate test of productive possibilities could be made.

It is planned to carry the Ogema test through the Madison, through the underlying Devonian, and into the Ordovician, to provide a thorough test of possibilities of the three ages of limestone. Meanwhile, Norcanols-Dahinda No. 1 was making hole below 3,323 ft. with the Madison contact looked for around 3,500 ft.

Imperial-Blood Indian Reserve No. 1 confirmed the Madison limestone last week end at 6,267½ ft., halted drilling at 6,275 ft., and has set seven inch casing to bottom. Oil showings were encountered just above and in the top of the lime, but adequate tests were not made because it was not found possible to set a Packer.

• • •

To Spud Athabaska Well

Initial drill test in the Davies Petroleums and East Crest Oil programme in the Athabaska area of northern Alberta will probably be spudded in during the latter half of May, it is reported. The well, Deca Oil & Gas Syndicate No. 1, will be drilled in L.S.D. 3 16-66-23w4, three-quarters of a mile west of the old Athadome No. 2 well. Davies and East Crest, through the jointly-owned Deca Syndicate, held a 54,000-acre reservation in the Athabaska area. Recently a new light rotary rig was purchased in California and this is now being assembled at Turner Valley. The drill pipe and casing has already been shipped to Edmonton, and will be moving north to the drill-site in the coming week. Drilling is being done on the advice of Dr. J. O. G. Sanderson.

The Athabaska programme is being financed through the issue of additional shares in the two participating companies. Haras Corporation of Toronto has taken an option on 300,000 shares in Davies Pete, of which 50,000 shares have already been taken up at 18c. The same company has taken options on East Crest shares, totalling a million shares. Of these, 100,000 at 5c. and 200,000 at 7½c. have already been taken up.

Mining Company Reports

Bralorne Mines

The large programme of advance development carried out in previous years stood Bralorne Mines in good stead in 1942. While production and earnings were slightly lower, ore reserves were increased both in tonnage and grade and if the present working force can be maintained, production can continue for several years on the present basis without jeopardizing postwar operations, it is stated.

While dividends of $1.20 a share were greater than earnings by a small margin and $150,766 was spent on new properties, working capital at the end of the year remained practically unchanged.

Although development footage declined from 15,699 to 9,872 ft., 4,555 ft. of new ore was opened in 1942. The most important ore was in the Coronation vein which is becoming increasingly important with further development.

Ore reserves at the end of 1942 totalled 999,000 tons of 0.498 oz. grade, an estimate which is expected to prove on the conservative side in actual mining. A total of 171,095 tons of ore were milled in 1942.

Levels below the 1,400-ft. horizon are expected to fall between the rich 600 level and the 1,400 level which has given 5,367 ft. of ore of 0.38 oz. grade.

As a result of the company's search for strategic minerals, one new property is being prepared for production on an extensive scale.

Income and Surplus Account
Years Ended December 31

	1942	1941
	$	$
Bullion prod.	3,425,307	3,808,894
Less: Prod. exp.	1,081,489	1,233,302
Marketing	61,577	68,268
Community welfare	29,378	35,932
	2,252,863	2,471,392
Add: Misc. income	11,758	14,393
Gross profit	2,264,421	2,485,785
Less: Adm. & gen.	49,255	41,215
Depreciation	158,000	152,000
Ore depletion	88,400	128,400
Taxes	574,989	639,803
Net profit	1,393,777	1,524,367
Less: Divds.	1,496,400	1,496,400
Surp. for year	*102,623	27,967
Add: Prev. surp.	1,532,278	1,787,445
Less: Invests. res., etc.	131,019	283,135
Surplus forward	1,298,636	1,532,277
*Deficit.		
Earns. per Share and Divd. Record:		
Earned	$1.12	$1.22
Paid	1.20	1.20
No. of Shs. Outstdg.	1,247,000	1,247,000
Working Capital	$1,761,318	$1,780,353

Three Point Pete.—A loss of $351 is shown for 1942 after deducting expenses, royalties, from revenue of $10,877. Current assets at Dec. 31, totalled $15,436 against current liabilities of $805. Baroils, in which Three Point holds 10,000 shares, is completing a two-well exploration programme on the Jumping Pound Structure.

Kerr-Addison

An estimated net profit of $600,366 or 12.7 cents a share was realized by Kerr-Addison Gold Mines the three months ended March 31, 1942, compared with $2,395,064 or 50.6 cents a share for all 1942.

Development was very limited due to the labor situation but diamond drilling of the carbonate zone west of No. 3 shaft between the 700 and 1,450-ft. levels continues to add to the tonnage in ore zones Nos. 8, 9 and 10.

At and below the 1,450-ft. level, drilling has indicated an additional length of about 200 ft. to No. 16 ore body. Incomplete drilling shows No. 6 ore body to have a length of 413 ft., widths up to 80 ft. and an average grade of 0.22 oz.

No. 3 shaft has been completed to a depth of 2,725 ft. The labor situation continues acute with 17 men joining the Armed Forces in the first quarter.

Mining Concentrates

Chesterville Larder Lake has secured some improved results at depth including an important drill hole through the No. 21 ore body of Kerr-Addison which may indicate an easterly rake for this deposit. During the first quarter, loss of additional labor necessitated a moderate reduction in tonnage. Due to the same factor, opening of stopes on the fifth and sixth levels was delayed until toward the end of March making it necesary to draw ore from stopes which produced ore lower than mine average. This situation is now reversed, however, and mine average ore is now going to the mill.

• • •

Island Lake Mines remained inactive in 1942. Balance sheet at Dec. 31, 1942, shows $191,111 owing to Ventures Ltd. and current assets $23,262 against current liabilities of $75.

• • •

Moneta Porcupine Mines realized a net profit of $12,002 the three months ended March 31, 1942. Production of $118,322 was secured from 7,004 tons of ore milled, an average of $16.89 per ton.

• • •

Mica Consolidated is being succeeded by a new company, Amic Mica Mines, with a capitalization of 1,750,000 shares of which 750,000 will go to the original unit holders of the Amic and Mattawa Prospecting Syndicates. An operating profit is stated to have been made in March with an increase in sales recorded. Contracts are stated to have been closed with Aerovox Canada Ltd., Hamilton, under which technical assistance will be given the company in the manufacture of condenser mica. Condenser mica is now being turned out at Bonfield, stated to be the first production of punched condenser film in Canada.

• • •

Sheep Creek Gold Mines realized a profit of $234,657 the 9 months ended Feb. 28, 1943, equal to 12½ cents a share. Earnings before charges for depletion and depreciation were $317,263 to 16.9 cents a share. These figures make no allowance for operation of the company's subsidiary Zincton mines which realized a profit of $67,119 for the same period. Estimated smelter returns amounted to $334,672.

• • •

Opemiska Copper Mines claims are still in good standing but the property remained dormant in 1942. Current assets, including supplies totalled $22,786 against current liabilities of $232.

• • •

Four Star Petroleums.—A net loss of $394 is reported for 1942 after deducting expense and royalties payable from total revenue of $36,002. Company wrote $16,000 off development. Balance sheet showed current assets of $70,042 against current liabilities of $138. Baroils, in which Four Star is interested, is completing a two-well programme on the Jumping Pound structure with the first well down 7,700 ft.

• • •

Royal Crest Petroleums.—An operating profit of $5,231 realized in 1942 was used as a write-off against development. Balance sheet at Dec. 31, 1942, shows current assets of $8,946 against current liabilities of $257. Company holds 15,000 shares of Baroils which is engaged in a two-well exploration programme on the Jumping Pound area.

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Mining Company Reports

Sherritt Gordon

Following recommendation by the Metals Controller of a 25% increase in output of both copper and zinc. Sherritt Gordon Mines has put in new equipment to bring installed capacity to approximately 3,000 tons daily.

Production of zinc ore from the east mine now constitutes a substantial proportion of all ore mined. Although no new ore bodies were opened up in 1942, ore reserves declined only 500,000 tons due to extension of known ore bodies.

Contracts have been completed with Metals Reserve Co. for sale of increased output of copper and zinc.

Michipicoten Iron Mines, in which a 50% interest is held, has outlined enough ore at its Josephine mine to justify output of 750 tons daily while enough ore has been indicated at the Ruth mine to justify an initial production rate of 3,000 tons a day, Eldon L. Brown, general manager, reports. A sum of $3,882,000 is reported as required to completely equip both mines for production on the scale mentioned.

Income and Surplus Account
Years Ended Dec. 31

	1942	1941
Metal sales	$4,033,818	$3,600,342
Add: Inc. in invent.	35,347	150,863
	4,069,165	3,751,205
Less: Development	394,846	411,658
Mining	809,450	722,350
Backfilling	1,752	7,391
Milling	369,243	331,843
Zinc conc. exps.	183,663	......
Gen. mine exps.	187,308	170,455
Admin. & gen. exps.	55,253	54,240
Smelting, etc.	1,067,277	1,028,502
Net earnings	1,000,373	1,024,766
Add: Other income	15,598	19,105
Oper. profit	1,015,971	1,043,871
Less: Develop. w/o	218,487	460,155
Depreciation	298,140	297,212
Inc. taxes	130,000	86,000
Sherridon loss	20,896	13,484
Outside explor.	7,104	63,711
Net profit	341,344	123,309
Less: Dividends	587,443	587,443
Deficit for year	246,099	464,134
Add: Prev. deficit	1,297,746	833,612
Tax adjus. & contin.	59,808	......
Less: Addit recoveries	183,719	......
Deficit forward	1,419,934	1,297,746
Earned per share	$0.058	$0.02
Paid	0.10	0.10
No. of Shs. Outstand.	5,874,432	5,874,432
Working capital	$1,985,122	$2,342,411

Cariboo Gold

Earnings of Cariboo Gold Quartz Mining Co. decreased by more than 50% the year ended Jan. 31, 1943, as the labor shortage became gradually more acute. The company, however, is pursuing a policy which will allow a rapid return to normal when conditions permit.

Ore reserves totalled 423,311 tons at Jan. 31, 1943, a decrease of 18,361 tons after allowing for milling of 88,692 tons of ore during the year.

Bulk of ore reserves is divided almost equally between the Rainbow and Sanders zones. New ore was opened up in the Rainbow, Sanders, Pinkerton and Butts ore zones. Results in the Pinkerton zone are stated to be outstanding with 128 ft. of ore opened up averaging 0.76 oz. across 3.7 ft. at the 1,200-ft. level.

Income and Surplus Account
Years Ended Jan. 31

	1943	1942
Bullion sales	$1,339,431	$1,900,009
Less: Prov. min. tax	22,823	33,566
Bullion marketing	16,731	24,140
Operat. expense	893,386	1,211,670
Operat. earnings	406,491	630,633
Add: Misc. income	1,758	6,125
Net earnings	408,249	636,758
Less: Adm. & gen. exp.	31,514	31,460
Directors' fees	4,000	4,000
Special guards	......	10,002
Net income	372,735	591,296
Less: Depreciation	101,936	107,015
Depletion	88,692	129,265
Inc. tax reserve	72,847	102,022
Net profit	109,260	252,994
Less: Dividends	173,330	306,661
Deficit for year	64,070	53,667
Less: Prev. surplus	649,659	731,312
Add: Employees' ins., etc.	22,772	27,986
Surplus forward	562,817	649,659
Earned per share	$0.08	$0.18
Paid	0.13	0.23
No. of Shs. Outstand.	1,333,309	1,333,309
Working capital	$426,425	$314,896

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Privateer Mine

While the National Director of Selective Service has authorized an increase in crew at Privateer Mine, the Regional National Selective Service Board has not so far made the needed men available. As a result, enough mining cannot be carried on to maintain ore reserves.

Production in 1942 was reduced to 66% of normal, but profit ratio has been maintained as chief items in the immediate development programme have been completed.

Ore reserves at Dec. 31, 1942, totalled 31,155 tons averaging 0.482 oz. gold, a reduction of 6,317 tons from a year previous. Most of the new ore opened in 1942 was in the Prident sector.

Reflecting the lower level of production, 1942 profits were down but working capital was increased.

Income and Surplus Account
Years Ended Dec. 31

	1942	1941
Bullion production	$666,482	$944,088
Add: Misc. revenue	39,183	53,297
	705,665	998,285
Less: Mining	142,628	163,193
Milling	49,156	58,204
Development	22,756	81,479
Gen. charges	32,199	25,746
Shipping exps.	8,913	13,374
Admin. exps.	27,731	30,060
Cookhouse exps.	9,672	4,312
Mineral taxes	11,876	17,144
Property taxes	735	2,824
Insurance	7,498	6,760
Net earnings	392,503	[illegible]5,189
Less: Dep. & amortiz.	35,922	56,492
Depreciation	63,060	62,967
Inc. tax prov.	79,006	129,532
Outside exploration	3,890	8,120
Loss on assets	293	430
Net profit	210,332	337,648
Dividends	319,030	392,653
Deficit forward	108,698	55,005
Less: Prev. surplus	366,499	422,144
Tax adjustment	33	......
Add: Tax adjust.	......	640
Surplus forward	257,834	366,499
Earned per share	$0.086	$0.138
Paid	0.13	0.16
No. of Shs. Outstand.	2,454,080	2,454,080
Working capital	$354,188	$373,504

Normetal

Tonnage treated by Normetal Mining Corp. showed an increase of 22% in 1942 and earnings were narrowly higher after allowing for increased costs.

Since the end of the year, crosscuts have reached the ore body on new levels at 2,150 and 2,450 ft. where ore conditions compare favorably with the 2,000-ft. level based on a limited amount of development, it is stated.

Although no new levels were opened up during 1942, ore reserves declined only 10% (estimating reserves down to the 2,000-ft. level). The average grade of copper in the total reserve at the year end was approximately the same as at the end of the previous year while zinc content showed a 30% increase.

Income and Surplus Account
Years Ended December 31

	1942	1941
Net production	$1,972,453	$1,571,265
Less: Mining & devel.	810,610	515,586
Milling costs	303,344	233,577
Mine & gen. expense	111,641	88,833
Head off. expense	20,833	20,162
Taxes	5,637	6,766
Interest	3,865	19,208
Legal fees	569	584
Donations	2,477	1,000
Net oper. profit	713,477	685,549
Less: Devel. w/o	164,215	164,215
Depreciation	227,756	212,377
Sundry	503	1,008
Taxes†	40,380	37,735
Net profit	280,623	270,214
Less: Prev. deficit	154,168	471,622
Add: Adjusts. (net)	2,546	47,240
Surplus forward	129,001	*154,168

*Deficit. †After Dominion tax credit of $82,500 in each year.

	1942	1941
Earned per share	$0.075	$0.072
None paid.		
No. of Shs. Outstand.	3,757,012	3,757,012
Working capital	$991,881	$496,730

Matachewan Consol.

An increase in operating profit to $198,250 in 1942 from $169,938 in 1941 was realized by Matachewan Consolidated Mines, despite a drop in average recovery from $4.46 to $3.09 a ton. Due to increased charges for depreciation, net profit declined from $68,801 to $9,598.

With mill expanded to 1,000 tons daily capacity and an average of 864 tons of ore a day treated in 1942, lower grade treated was more than offset by higher tonnage treated and reduced costs.

Ore reserves at the end of 1942 totalled 1,237,858 tons averaging 0.108 oz. gold per ton compared with 1,139,380 tons at the end of the previous year. Diamond drilling below the 1,300-ft. level suggests a possible downward extension of the west boundary ore body but information is still stated to be sketchy.

Income and Surplus Account
Years Ended Dec. 31

	1942	1941
Metal sales	$974,115	$889,324
Less: Marketing	11,495	10,136
Net production	962,620	879,188
Less: Development	41,880	85,784
Mining	385,925	359,829
Diamond drilling	......	18,084
Milling	224,411	144,458
Silicosis	8,618	3,968
Gen. exps. (mine)	59,471	49,667
Mine off. exp.	34,703	32,866
Administ. exps.	9,362	14,594
Operating profit	198,250	169,938
Add: Non-oper. inc.	1,716	10,866
Total income	199,966	180,804
Less: Depreciation	168,121	83,003
Development w/o	18,747	......
Prov. for taxes	3,500	29,000
Net profit	9,598	68,801
Add: Prev. surplus	274,626	195,427
Tax adjustment	4,187	10,398
Profit on assets	8,129	......
Surplus forward	296,540	274,626
Earned per share	nil	$0.02
None paid.		
No. of Shs. Outstand.	3,430,000	3,430,000
Working capital	$354,167	$183,479

Goldale Mines

A net profit of $31,274 or 1.4 cents a share was realized by Goldale Mines in 1942 comparing with 1.7 cents in 1941.

Balance sheet as at Dec. 31, 1942, showed $46,704 cash, $353,433 market value of shares in other mining companies and $85,412 of Dominion bonds.

Eighteen claims staked jointly with Birch Lake Gold Mines in the Gates Lake area in 1940 have been maintained in good standing. No prospecting or exploration was carried out last year.

There are three million outstanding shares.

Jerome Gold

"Unless there is an early and decided improvement in the labor situation, production may have to be stopped within the next few months," President J. H. C. Waite states in the 1942 report of Jerome Mining Corp.

Due to shortage of miners it has been practically necessary to suspend development. It was impossible to carry on both mining and development. Estimated ore reserves amount to 20 months' mill supply.

During 1942, loans outstanding were reduced from $680,000 to $325,000. Net profit of $130,461 was equal to 4.6 cents a share.

Income and Surplus Account

	Year ended Dec. 31 1942	Sept. 1 to Dec. 21 1941
Bullion sales	$1,138,027	$338,050
Less: Mining costs	464,004	149,267
Milling	138,418	46,375
Admin. & gen. exps.	82,117	26,044
Marketing	13,426	4,293
Property taxes	440	99
Net oper. income	439,622	111,972
Add: Other income	2,691	198
Total net earnings	442,313	112,170
Less: Interest	29,418	11,341
H. O. expense	12,474	4,343
Development w/o	93,511	31,132
Depreciation	128,441	38,186
Inc. taxes	48,008	11,325
Net profit	130,461	15,843
Add: Prev. surplus	15,843	......
Less: Adjusts.	3,598	......
Surplus forward	142,706	15,843
Earned per share	$0.046	$0.005
None paid.		
No. of Shs. Outstand.	3,000,000	3,000,000
Working capital*	$136,311	$241,350

*Not including outstanding loans totalling $325,000 in 1942 and $680,000 in 1941.

Home Oil Co.

With production approximately 15.7% higher, Home Oil Co. earnings increased from 20.6 to 21.9 cents a share in 1942. During the year $970,027 was spent on development and at the end of 1942 the company owned 12 producing wells.

Criticizing assistance provided for the oil industry, President R. H. B. Ker declares that appointment of committees reporting to the Oil Controller has not changed the previous belief that "there is no person in the oil control administration possessed of the necessary knowledge or experience to intelligently assist the producer of oil."

Consol. Income and Surplus Account
Years Ended Dec. 31

	1942	1941
Oper. income	$1,544,346	$1,334,309
Add: Other income	52,400	51,365
	1,596,746	1,385,674
Less: Exps., taxes, etc.	205,539	215,507
Net oper. inc.	1,391,207	1,170,168
Less: Depr., depl., etc.	779,725	590,913
Inc. & E. P. taxes	227,000	216,000
Net profits	384,482	363,253
Less: Dividends	264,000	......
Surplus	120,482	363,253
Add: Prev. surplus	458,764	185,090
Tax adjust. pr. yrs.	16,000	38,000
Less: Pension fund	......	127,579
Addit. deplet.	57,628	......
Surplus forward	537,618	458,764
Earnings per Share and Dividend Record:		
Common: Earned	$0.219	$0.206
Paid	0.15	nil
Shares Outstanding	1,760,000	1,760,000
Working capital	$483,269	590,717

North Star Oil

North Star Oil, Ltd., Winnipeg, reports net profits for 1942 equivalent to 56 cents on its preferred shares compared with 42 cents earned in 1941.

During the last year the remaining balance of $259,000 series A bonds of Petroleum Realty Corp. were redeemed and cancelled. This leaves only the series B bonds outstanding to the amount of $688,000.

Consol. Income, Surplus—Years Ended December 31

	1942	1941
Operating profit	$507,463	$431,668
Add: Other income	......	13,278
Total earnings	507,463	444,946
Less: Exec. remun.	30,000	30,000
Directors' fees	2,000	2,000
Legal fees	1,399	2,288
Depreciation	240,720	234,898
Interest	18,169	19,209
Income & E.P. Taxes	*103,500	72,000
Net profit	111,675	84,551
Less: Preferred divids.	70,000	70,000
Surplus for year	41,675	14,551
Add: Previous surplus	241,168	226,617
Earned surplus forwd.	282,843	241,168

*Includes $9,000 refundable E.P.T.

	1942	1941
Earned per share:		
Preferred	$0.56	$0.42
Paid	0.35	0.35
Common	0.22	0.07
No dividends paid.		
Working capital	$283,087	$85,830

Royalite Oil

Increases in depreciation and depletion charges resulted in a decline in earnings of Royalite Oil Co. from $1.35 a share in 1941 to $1.09 in 1942. Increased gross income from production was also offset by a direct charge to profit and loss of the cost of drilling two dry holes.

Results of operations for the year, however, are stated to compare favorably with previous year's operations by President J. H. McLeod. Drilling department was continuously employed and this is stated to have been a factor in maintaining volume of production.

Income and Surplus Account
Years Ended December 31

	1942	1941
Oper. income	$2,757,021	$2,669,607
Add: Bond int., etc.	138,808	172,379
Less: Legal fees, sals.	52,022	53,098
Directors' fees	500	500
Net earnings	2,843,307	2,788,388
Less: Deprec. & amort.	1,278,698	1,049,194
Depletion of leases	61,002	32,366
Pension fund	50,000	50,000
Securities w/d	7,364	14,039
Share. subs. loss	106,761	89,132
Pipeline claims	......	10,000
Prov. for taxes	556,640	577,403
Net profit	782,842	966,254
Less: Dividends	717,487	717,487
Surplus for year	65,355	248,767
Add: Prev. surplus	2,590,167	2,408,322
Tax adjustment	30,308	67,122
Surplus forward	2,685,830	2,590,167
Earned per share	$1.09	$1.35
Paid	1.00	1.00
No. of Shs. Outstand.	717,487	717,487
Working capital	$3,473,668	$2,743,956

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Ajax Oil & Gas

A loss of $4,060 was experienced by Ajax Oil & Gas Co. in 1942 compared with a $29,074 loss in 1941. After paying a dividend of two cents a share, working capital deficit was $3,149 at end of 1942 in contrast with $42,899 of working capital a year previous.

A decline was experienced in gas production in Ontario in 1942. One new well was brought in and two dry holes were drilled. East Texas production is stated to have remained steady and some activity is noted in the Wyoming oil field in which the company is interested.

Southwest Pete.—Loss in 1942 was $25,055. Balance sheet as at Dec. 31, 1942, shows $4,232 current assets against $38,957 current liabilities. Advances from Imperial Oil and Foothills Oil & Gas total $360,725. Amortization and depreciation written off in 1942 was $168,910.

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IV

BE PROUD TO HELP YOUR COMPANY TOP IT'S OBJECTIVE

NATIONAL WAR FINANCE COMMITTEE

In Your Opinion—

How Can We Speed Search For Mines?

The Question — What steps would you suggest to secure a new crop of mining prospects now, for postwar maintenance of this industry?

Pierre Beauchemin

Vice-president and managing director, Sullivan Consolidated Mines, Montreal.

More geological parties should be sent into new districts as well as detailed work continued in the producing areas. More "geological bets," particularly in heavily overburdened sections and where structure is favorable according to data gathered from neighboring operations, should be given some development. This should be done principally by our well established operating companies. Financial assistance should be forthcoming from the provincial governments.

* * *

Robt. A. Bryce

President, Canadian Institute of Mining and Metallurgy.

1. Provide for uniformity of mining statutes and taxation in all provinces.

2. Enlarge the work of geological surveys by Dominion and provinces utilizing air force personnel and equipment.

3. Recognize at once, before further damage is done, that mining, being a speculative enterprise entailing many risks, physical and financial, is not amenable to socialization or state control and operation in the same sense as a public utility or a transportation system.

4. Encourage and incite a concept of pride of achievement toward those who develop the natural resources, thereby creating employment and new wealth.

* * *

A. E. Cameron

Nova Scotia deputy minister of mines.

To find and develop new prospects requires geological mapping, intensive prospecting and investigating by diamond drill and underground work. Geology is mapped by governments. Prospecting can be assisted by special classes under government and university arrangement. Diamond drillers and underground workers should be selected from demobilized personnel who can be trained in existing mines or in practise mines supported and operated jointly by industry, university and government.

This programme would give fundamental knowledge of mineralized areas and trained developing force. These, together with individual initiative, energy and enterprise should result in discoveries of merit.

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J. P. De Wet

Secretary, Manitoba Chamber of Mines.

Basic to any plan is to get prospectors into the bush. Federal government measures might include getting more profit into base metal mines, continue income tax exemptions on prospecting money, conduct regional geological surveys and map favorable areas, encourage companies to set up exploration funds to employ present prospectors, give young geologists bush experience, train young prospectors, do structural geology studies and geophysical surveys. Since the easier finds have already been made and base metal mines are scarcer than gold, make prospecting for gold attractive again.

Provincial measures should include detail surveys and mapping and the opening of prospectors' schools.

* * *

H. R. Drummond Hay

Vice-president, God's Lake Gold Mine Ltd., Winnipeg.

In so far as companies are concerned, I consider the present method of staking claims impracticable. I think it should be possible for companies in out of the way areas to be able to secure a concession for prospecting provided they expend an agreed amount per annum. In general, geological surveys should be greatly increased and in particular, I think individual prospectors should be allowed to arrange their own prospecting syndicates and sell interests therein without any restrictions imposed by the securities commission.

* * *

R. M. P. Hamilton

General manager, General Engineering Co. (Canada), Toronto.

Prospecting parties should be selected by representative committees of the mining industry from the personnel not needed by base metals for other essential war industries. These should be grubstaked by a mining group or the federal government. A war metals advisory committee should have direct authority to advance funds for the development where private funds cannot be interested in prospects for potential production, and any government interest should be saleable to the highest bidder willing to see any property through to production.

* * *

R. J. Jowsey

President, Dominion Magnesium Co.

Return to the way we found mines and financed them before government interference stopped individual efforts. The government is allowing write-offs of losses which will help companies to spend more money. Ninety per cent of mines are found by small syndicates in small communities. These people, will start again if they were allowed to make their own deals and mining would be able to get away from the deplorable position it is in now.

* * *

Prof. George B. Langford

University of Toronto.

Old fashioned prospecting methods no longer are capable of finding mines as fast as required to maintain industry at the present level. No major finds have been made in the last ten years. A few were made in the past twenty years.

The government must appoint a resident mining geologist of the non-academic type to assist prospectors who must be prepared to fine-comb small areas rather than skim over large areas.

Prospectors should be better trained so that they do not look for one or two specific minerals but should search for all minerals of economic importance. All this depends on a tax structure that will invite capital back into the mining business.

* * *

Thayer Lindsley

President, Ventures Ltd.

For many years our business has consisted chiefly in the development of old prospects in known districts. There are several kinds of new mining prospects, however, and what is most needed is the bringing in of a major district.

Chances of finding these are most promising in remote areas. We have studied these fields and believe there are enough of them to supply Canada with one new major district per decade. This has been the approximate rate of discovery during the past fifty years.

The two outstanding prospecting areas worthy of attention at present, we believe, are the extensive favorable formations in the North West Territories, and the areas tributary to the new road extending north from Edmonton to Alaska. Adequate prospecting of these fields will require heavy expenditures in men, equipment and supplies, and we are not clear whether Ottawa would permit this. However, if the government is in favor of such work, then many mining companies, we believe, would be encouraged to carry on this prospecting now, if the expense could be used as a write-off against operating profits.

* * *

Hans Lundberg

Geophysical surveyor, Toronto.

Besides the present help to prospectors facilitating their obtaining food and helpers there should be no taxation of newly brought in mines for, say, five years. Rights should be given to stake or obtain under concession, larger areas than at present, especially when ground is covered by heavy over burden. Geophysical surveys of large territories should be carried out by experienced experts under government sponsorship as is now done in the United States.

* * *

John R. MacNicol

Member of House of Commons for Davenport, Toronto.

The government should persuade available prospectors and geologists to go and search for new mineral deposits in our incomparably rich northlands. Above and beneath the surface lie rich veins of precious and base metals that seem to cry "Come and Find Us." Let Canada accept the challenge.

Billions of barrels of oil, war's greatest munition, are stored in the oil sands of northern Alberta. Close at hand are inexhaustible quantities of salt and limestone. Oil, salt and limestone form the principal basis of the chemical industry. With proper development Canada could become the world's greatest producer of raw and finished products.

* * *

H. C. Rickaby

Ontario deputy minister of mines.

A new crop of mining prospects for postwar maintenance of the mining industry can be secured "now" for the most part only through the efforts of the prospector. Provision has been made to aid the prospector in the search for strategic minerals, but postwar mining in Canada will still depend to a great extent on gold mining. At the present time gold mines and prospecting for new gold mines are under a serious handicap.

* * *

K. J. Springer

President, Leitch Gold Mines, Toronto.

The profit motive is the principal incentive which creates industry including prospecting. Factors affecting profits are taxes, costs, prices and restrictive legislation. Mining is highly speculative, therefore should give good returns when successful. Few mines at today's quotations will return investment with interest.

Depletion allowance should be increased to 50%. Unreasonable labor demands will kill the incentive to develop mines. Honest promoters should not be unduly restricted.

* * *

R. E. Stavert

Vice-president, Consolidated Mining and Smelting Co., Montreal.

Full advantage should be taken of tax exemptions now permitted by the Dominion Government for exploration. Mining companies would be well advised either to carry out prospecting with their own staff or to assist in financing such work by others. The Dominion Government has wisely recognized the desirability of providing incentive to locate new ore deposits. However, in view of very speculative nature of the industry representations with the object of securing even greater co-operation should be continued.

* * *

Dr. J. B. Tyrrell

President, Kirkland Lake Gold Mining Co.

At the present time the Canadian government must urge the people to invest all their available money in the war loan, but it should also look ahead to postwar days and to the preservation of the mining industry which is a vital and one of the most essential of Canada's industries.

For that purpose it should ask the Canadian Institute of Mining and Metallurgy to arrange at once to spend up to three million dollars of the loan or its oversubscription in sending prospectors throughout the country to search for new mines. The Institute, which contains most of the active mining men in Canada, could call other organizations to its assistance, and could manage the campaign more quickly, with greater efficiency and with fewer mistakes than any other mining group.

* * *

Norman Vincent

Mining financier, Toronto.

All phases of the industry including prospecting syndicates, should be extended the special tax reductions on the money spent or invested in exploration and prospecting.

The press of Canada and all trade association should co-operate with the Prospectors and Developers Associations to make Canadians fully conscious of important part prospecting has played in building Canada's mineral production to its present tremendous proportion of our national wealth. In other words, make Canada mine-minded again by a concerted propaganda campaign.

* * *

J. H. C. Waite

President, Mining Corp. of Canada.

Prospecting should be the first step and the basic essential is freedom of private enterprise. There must be relaxation of government control and security regulations combined with the assurance that both the prospector and backer be allowed to retain a large portion of profits from any valuable discovery. To encourage development of such finds there must be a change in the present taxation of corporations, particularly base metals and new golds. Under the present system taxes may be greater than the net profits.

R. C. Wallace

Principal, Queen's University, Kingston.

I would suggest a liberal allowance from taxation for costs of prospecting and initial development for mining companies and where advisable, co-operative enterprise between government and prospectors in search for prospects and in initial development. The whole basis of taxation must be such as to encourage private capital to invest in enterprise where the risks are great, otherwise governments will be forced to undertake the responsibility of the search for ore bodies from public funds.

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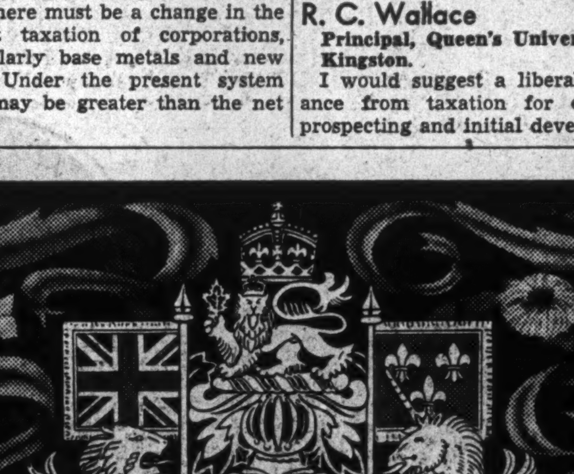

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